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Faith In Our Future

— Portrait by Nakash

Founded in 1916 with the main objects of educating Canadians to invest in their country's future and of maintaining the highest standards of practice in the investment industry, the Investment Dealers Association of Canada this week elected an Ontario-born Montrealer as president. John R. Hughes, vice-president and treasurer of Royal Securities Corp., Montreal, will lead a membership of 436 investment firm offices in 1955-56.

(Personality sketch on page 6.)

THE NATION'S BUSINESS

If You're Growing Watch Your Step

A Combines Commission report on Canadian Breweries deserves attention by all forward-looking business executives.

Because, as the how-to-become beautiful advertisements say: This could be you.

On pages 22-24 of this issue we reprint substantial sections of the report because it shows very clearly how the Combines cops are thinking, hence how you can get into trouble with them.

An important point is this: You may consider yourself the model of an honest efficient businessman and a decent law-abiding, non-wife-beating citizen.

That won't protect you from the Combines cops, because they have their theories to maintain. And they have a combines act which lets them go after just about anybody they wish.

Bigness has of late been a bad thing in the minds of the American combines cops. So the Canadian operatives got busy and the Canadian Breweries case is the first one in which bigness per se was the dominant factor — big as a corporation, big in the beer business. Or, as the official digest of the report puts it, this is the first case "in which one firm is alleged to have deliberately planned to secure itself a dominant position in an industry through the methodical buying up of competitors."

Two Ways to Expand

Two things are interesting about this part of the Combines cop argument.

From what they say, it would appear that this is how they think. There are two ways for a business to expand: For a company to grow by enlarging its own production and sales is apparently okay. For a business to grow by buying plants from competitors is apparently bad.

If Canadian Breweries had grown within itself and if, as a result of its growth other brewing firms had gone bankrupt, that apparently would have been more in the public interest than for Canadian Breweries to expand by buying out competitors at prices those competitors were willing — or eager — to accept.

As a reminder of the enormously wide swath the present legislation cuts, here is Section 32 of the act which

> "makes it an offence to be a party to the formation or operation of a combine. 'Combine' is described in section 2 as including a 'merger, trust or monopoly' which has operated or is likely to operate to the detriment or against the interest of the public. 'Merger, trust or monopoly' is defined to mean one or more persons.
>
> (i) who has or have purchased, leased or otherwise acquired any control over or interest in the whole or part of the business of another, or
>
> (ii) who either substantially or completely control, throughout any particular area or district in Canada or throughout Canada the class or species of business in which he is or they are engaged,"

Let him that is not without sin run, not walk, to the nearest exit. Who the Combines cops will go after next they don't divulge. They have so many possible choices under the legislation they may be having trouble deciding.

A Glorious Myth

This Combines report makes fascinating reading. It paints lovely pictures of a glorious state of perfect competition which, alas, has never existed on land or sea.

It laments at length over the dreadful position of the beer-drinker who in Ontario instead of having 150 different brands of beer to choose from now can gulp only nine CB brands. This, the report says, is to be "deemed a loss" to the consumer.

"By deciding to withdraw . . . a very great number of brands of beer available to the consumer, the Company, for its own purposes and advantage, acted in a manner which was not in the interest of the public." The Report hastens to add that CB beers are "of the highest possible quality" and it does not find CB guilty either of raising — or lowering — beer prices.

After four years of inquiry into Canadian Breweries and after 89 pages of report thereon the Commission gives its finding.

"(It) does not agree with the contention (of its counsel) that the Company is now in control of the brewing industry, either substantially or completely, throughout Canada or any representative region or district thereof. . . . One cannot say that the mere continuation or existence of this company is a constant threat to the public interest. Only an illegal agreement, arrangement or understanding between the three who are now competitors, viz. Canadian Breweries, Molson's, Labatt's, is likely to bring about a further elimination of competition. . . .

"We believe if the situation does not change materially . . . Canadian Breweries should not be considered a threat to the industry or a monopoly which is operating or is likely to operate to the detriment or against the interest of the public in Canada."

Well, that's an unexpected ending to the story. From the way the report was reading we thought for sure they would find a villain and that the trusty redcoats would pick him off.

What has all this effort achieved?

1. It has helped make lucrative work for the lawyers, defensive and offensive.

2. It says it is dangerous for a company to grow. The Combines cops may not like the way that growth comes about.

3. It tells Canadian Breweries that the Combines cops will view with grave suspicion any further growth.

4. It implies to millions of casual, daily newspaper readers, and to radio and TV fans, that there is something dark and odoriferous about the ways of successful business.

Textile Labor Lid Ready To Blow Off

Unions Geared To Hold Wage Line, Companies Point To Sales Decline — Trouble Spots Break Out In Several Branches Of Industry

By JACK McARTHUR

The lid which has been rattling dangerously on the red-hot pot containing Canada's textile labor troubles looked ready to blow off at midweek.

Result could be a rash of bitterly-contested strikes which might steal some of the labor news headlines from the guaranteed annual wage.

There's no revolutionary principle like GAW behind the textile troubles. Just an old disagreement which has triggered company-union fights for years.

The companies, in many cases, want to cut wages. The unions want to hold the line, say they will fight to do so.

The hottest fighting has been, probably will continue to be, in Ontario.

The tough-talking union which apparently is ready to suit action to words is Harold Daoust's CIO-CCL Textile Workers Union, biggest and richest textile union in the nation.

On the other side, squeezed by lower prices, are a number of companies hoping that labor will agree to wage reductions averaging around 8%-10%.

The trouble spots:

York Knitting Mills: Some 800 workers in four York mills in Woodstock and one in Toronto have authorized strike action at the discretion of the TWU Joint Policy Committee.

The Union says it will strike if the company tries to cut wages or if last-gasp negotiations at midweek are unsuccessful.

Supersilk Hosiery and Holeproof Hosiery: Work is continuing from day to day at these London, Ont., plants. The companies want wage reductions to cut costs, hike ability to compete with lower-cost Quebec plants. The Union says it will strike if pay is cut.

Monarch Knitting: The Union says Monarch wants a reduction. Situation here hasn't reached the crisis stage, but the TWU is committed to resist cuts.

National Hosiery: Workers at this Hamilton firm recently voted narrowly against strike action. Union leadership had favored a strike because of wage cuts.

Globe Textiles: This small (80 unionized employees) at Meaford, Ont., is one of the first to feel the edge of the union axe. It's on strike now after company asked employees to pay half the cost of their welfare plan and take fewer paid holidays.

In Quebec, **Dominion Textile** is involved in arbitration with the CCCL Textile Workers Federation, which wants wage-fringe increases for 5,000 employees.

The trouble has been brewing for months (The Post, Jan. 29, May 21).

There were scattered pay reductions in textiles last year, as many companies lost money be-

(Continued on page 3, col. 3)

PRICES

(SEE ALSO TREND OF BUSINESS, P. 19)

Coffee firming but likely to hold steady in Canada in immediate future. Some scattered increases up to 2c lb. at retail by U. S. chain stores.

Flax likely steady after leveling off 12c bu. last week to come in line with U. S. markets.

Tin up 1c lb. reflecting London dock strike, fear of Singapore dock tie-up, heavy Argentine buying. Demand continuing strong.

Aluminum primary markets strong. Possibility of increase up to 1c lb. if present heavy demand continues.

Soybeans leveling off with near-record new crop prospects. Prices likely to hold steady for beans, oil and meal with some short-term increases.

Strawberries, Cabbage down with plentiful supplies in Toronto. Strawberries running about $8 a 27-qt. crate, cabbage off 50c-75c at $0.75-$1 a crate.

Fenimore Iron To Ship Ore To Germany

Iron ore output from Consolidated Fenimore Iron Mines in the Ungava Bay region of Northern Quebec will be shipped to Germany under a deal now being negotiated.

At the same time Fenimore may take up a German offer of a new process for producing high-grade concentrates at the property.

Announcement of the deal for a "substantial part" of Fenimore's output was made this week in Cologne, Germany, by Kloeckner & Co., a subsidiary of Kloeckner-Humboldt-Deutz AG.

Negotiations on behalf of Fenimore were conducted by Ernest

(Continued on page 3, col. 5)

No Drop in Sight On Defense Costs

Outlook Is For Minimum Outlay of $6,000 Millions Over Next Three Years — Here's Where, How Major Portions Will Be Spent

By PETER NEWMAN

OTTAWA (Staff) — Canadian defense spending has reached a plateau. The buildup is finished, but no downward slope is in sight.

The "generation of preparedness" philosophy of Canadian military thinkers will be reflected in the defense estimate debates in the House of Commons at this week's end.

Canada's total defense bill for the next three years will amount to around $6 billions. It could be slightly more under present world conditions. A lot more, should the international power balance dip against the West.

The government's defense thinking is solidly based on the belief that Russia's ownership of the H-bomb has created the most serious military emergency for Canada since the end of World War II. Defense spending is to remain at its current level.

However, as Canada's gross national product (running at an all-time high annual rate of $25,040 millions in the first quarter) continues to rise, defense expenditures will account for a smaller proportion of national spending.

Shift In Emphasis

The initial post-World War II buildup of Canada's defense potential was completed in 1954. Emphasis in defense spending is now shifting to scheduling of production to meet a continuing high level of military procurement.

That means the continued development of defense-supporting industries, particularly those supplying specialized defense items and basic strategic materials.

Those who spend defense dollars are now carefully reviewing every project on the basis of the need to maintain essential defense facilities and to establish production levels for longterm requirements.

Here are some of the factors which will govern defense spending in the next three years:

Today's military leaders are finding that increased efficiency in use of material does not cut down costs to any great extent. It's an age of tremendously complicated gadgets. And they're getting more and more complicated, continually speeding up their own rate of obsolescence.

Pressure of fixed defense expenditures mounts almost daily as the size and scope of the Canadian military machine grows.

Mutual aid to NATO allies is being cut by $125 millions this year, and will continue its decline. But while that share of the defense spending pie goes down, higher expenditures for other categories will keep the total pie much the same size.

Higher Efficiency

The sense of urgency that characterized the first groping efforts to build up some kind of defense machine in 1950-51, has now disappeared. While dollar outlay may dip in some categories, production efficiency learned through the past five years will mean higher total output. One good example is the CF-100 procurement program, which progressively delivers more aircraft at less unit cost.

Projects requiring capital assistance will decline in number, although a decision to enter large scale guided missile production would almost certainly re-introduce this procedure, because of its high research cost.

Total defense construction ($102 millions worth in 1954) will level off by year end, because the most expensive part of this program — building up RCAF air defense bases — is now almost complete. The emphasis will shift to the sub-Arctic. Army ($15 millions a year for Camp Gagetown alone) and Navy stations.

The defense department's general purchasing program will keep going up. The greater amount of military equipment in operation and the increased size of each of the armed forces (as well as continuous turnover) are building up pressure on this kind of buying which in the past year meant 166,000 separate contracts worth more than $224 millions.

Better co-ordination between the various defense programs will mean elimination of peak buying

(Continued on page 2, col. 5)

1955 Optimism Confirmed, GNP Runs at Record High

OTTAWA (Staff)—Hard figures this week confirm business optimism about 1955. Canadian economic activity reached an all-time high during the first quarter of this year.

Figures released by DBS this week show that during the first three months of the year, Canada's gross national product was running at an annual rate of $25,040 millions. This is higher than the previous quarterly record of $24,600 millions, achieved in 1953's third quarter.

The current year's first quarter result is 4.9% higher than the previous year's first quarter and up 2.7% from 1954's last quarter. Only a slight rate increase is now needed to realize Finance Minister Harris' budget speech 1955 GNP prediction of $25¼ millons.

The figures also show that Canadian economic activity is outpacing that of the U. S. While Canadian non-agricultural output in the first three months of the year was up 3% from the 1953 previous all-time high annual rate of $24.6 billions, the U. S. first quarter 1955 results managed to only equal the previous economic record, set in the second quarter of 1953.

Non-agricultural gross national product in the year's first quarter amounted to an annual rate of $23,792 millions — up 4.7% from 1954's first quarter non-agricultural total and up 1.8% from the comparable 1954 last quarter figure. To properly introduce seasonal adjustment, an allowance of $200 millions for a higher crop production in 1955 has been included in the 1955 first quarter total. (This is done to distribute value of crop production across the four calendar quarters. The $200 million estimate is based on 10-year average yields and current "intended acreage" statistics.)

Manufacturing, which was largely responsible for the 1953-54 dip in the non-agricultural section of the GNP, was up 2% in the first three months of 1955, from a year previously. However, production in the primary industries group enjoyed a relatively much

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A HUB AND HEART for Canadian building soon to open ..... p. 12

Booming Rubber Demand Squeezes Tire Companies

Canada's tire makers are caught in a tight synthetic rubber squeeze. Right now there's no sign of the pressure easing.

Although Canada's big Crown-owned synthetic rubber producer —Polymer Corp. at Sarnia — is boosting production by another 7,000 tons this year, it hasn't been able to keep up to the recent big surge in domestic business. As a result it has put all domestic customers on allocation.

The situation is a product of two developments — (1) the rising trend in natural rubber prices which got under way last fall and (2) the current unprecedented demand for tires from the automobile manufacturers.

If Polymer officials had received enough advance warning of the big boom coming in home business, they would not have gone out and contracted to sell some 60% of this year's production. But the tire people themselves erred on the low side in forecasting to Polymer that their 1955 requirements would be roughly in line with last year. They are running at least 20% higher at the moment.

When price of natural rubber climbed steadily through latter part of 1954 and reached a peak of 38c a lb. (No. 1 ribbed smoke sheets) in February of this year, tire makers had already started upping their synthetic orders. The higher the price rose, the greater competitive advantage in shifting more rubber requirements to the steady, lower-priced synthetic (GR-S has held at 24c a lb. for over a year now). Then, on top of this the orders started rolling in from the auto makers and the tire people stepped up the force of their buying campaign.

But by then there wasn't much Polymer could do outside of swinging an extra million-pound or so of nonfirm export business back to the domestic market and straining every production muscle at the sprawling Sarnia works.

Some manufacturers of mechanical rubber goods and specialties are harder hit even than the tire makers. Many of them

(Continued on page 3, col. 4)

West German Dollar Import Curbs Lifted on Long List

OTTAWA (Staff) — West Germany has further reduced its import restrictions. Effective last week, a lengthy list of dollar area goods, including all types of wood pulp, has been freed from quantitative import restrictions, for the first time since the war.

Import licensing continues to apply to cereals, most foodstuffs, primary aluminum, synthetic rubber, copper (except scrap) and other important Canadian export products. The current freeing of several categories of Canadian trade is a continuation of past West German liberalization lists, issued in February and November, 1954.

For the goods now freed, no import license is required. They will be admitted to West Germany on the basis of an import declaration made by the German importer, which entitles him to pay in dollars. This step is a mere formality.

Here is the list of goods freed last week, which are of greatest interest to Canadian exporters:

(Continued on page 3, col. 3)

Teensters Face Tough Time In Job Quest This Summer

Canada's teenagers, due to burst out of high school classrooms in the next week, will have a "real nervous" holiday this summer.

Roughly translated, this jazz jargon means that many are going to enjoy a relaxing vacation. One reason: they'll have a tough time finding summer jobs.

The 60,000 students leaving Canadian high schools this month are finding themselves at the end of the lineup for summer employment. Supply of "hot months only" help is far outrunning the demand.

It's a discouraging outlook for the ambitious youngster trying to bolster his father's allowance. But two factors brighten the current situation:

—There are jobs for those who really need them. They're not soft berths, and those that get them will have to work hard to keep them. But some openings are there for the go-getters.

—The high school grad who is launching his career without going on to university is in fairly good demand. The fact that he has completed his matriculation is proof enough for many companies that he is trainable, and they're offering up to $200 a month to further direct his talents along specialized lines. Insurance firms, some banks and finance organizations are particularly interested.

It's estimated 15% of this year's high school crop will go on to some

(Continued on page 2, col. 2)

Quebec's Taxes Annoy Diplomats

MONTREAL (Staff) — Quebec's provincial income tax could mean that Montreal will lose its role as headquarters of United Nations' International Civil Aviation Organization.

In polite phraseology, ICAO representatives are meeting with Premier Duplessis this week to discuss "the question of extending diplomatic immunity" to the aviation body.

But the phrases aren't fooling anyone. ICAO delegates don't pay Federal income tax—a diplomatic courtesy — but they do pay income tax to the province of Quebec. And they don't like it. A Latin-American bloc has been urging for some time that ICAO find a new site for its headquarters.

Noranda to Produce Acid, Sulphur, High-Grade Iron

Iron-sulphur bearing pyrites from the Rouyn, Que., area, uranium ores of the big Blind River mining camp and chemical know-how, will soon combine in one of the most remarkable examples of industry integration in the history of Canadian natural resources development.

To produce the large daily tonnages of sulphuric acid required in the chemical leaching process to be used on the Blind River uranium ores, Noranda Mines will construct a multimillion dollar acid plant in the area. The all-important raw material will be pyrites from its own Rouyn holdings.

A unique Noranda-developed process will turn out daily:

—Some 350 tons of high grade iron sinter;

—around 70 tons of elemental sulphur;

—an estimated 500 tons of sulphuric acid.

With the plant located on rail and deep water navigation, the premium quality iron can be shipped to any U. S. or Canadian steel mill in the Great Lakes area and the sulphur will have ready access to a number of pulp and paper mills in Northern Ontario.

The process will be a large-scale replica of Noranda's first commercial size plant using this process at Port Robinson, Ont., where the operating bugs have been overcome. The only concern now is whether Noranda will get delivery of the special processing equipment in time to guarantee acid output for next July milling start-up at Algom Uranium. If not, Noranda is confident it can operate a temporary process producing only acid, and switch to the bigger and more economically desirable process when the special equipment is available.

The scheduled 500 tons-a-day acid plant will look after the camp's minimum requirements—based on the four almost certain milling projects now indicated. Additional milling plans of any of the other half dozen possible uranium producers in the area, would necessitate more acid plant facilities.

First target Noranda must meet is the scheduled July 1956 start-up of the first of Algom Uranium's two 3,000 tons-a-day milling plants. The second operation will start June, 1957.

The Pronto mine (1,000-1,500 tons daily)—first in the Blind River camp to come into operation, aiming for September—will be served, temporarily at least from other sources. Consolidated Denison is aiming at a 5,000 tons-a-day milling rate.

Also likely to justify milling operations in the Blind River camp are Can-Met Explorations and Spanish-American. Other possible producers are Lake Nordic, Buckles Uranium.

Pardee-Uranium, which has a heavy tonnage, low grade proposition, could become a producer if uranium prices are hiked or some methods worked out of upgrading the ore.

Mining men see a constantly increasing trend to this chemical-metallurgical process in both uranium and base metal operations. The desired metals are selectively extracted, one at a time, and produced in the metal form in a very pure state or as simple salts.

The Outlook for '55 Wheat

Farm Spending Hinges On This Year's Crop

By MICHAEL BARKWAY

REGINA (Staff)—Sunny warm weather at last came to this part of the West last week. Canadians all over the country have a stake in it. If it lasts for another month with clear skies and higher temperatures, the West may yet get a good crop this year. And if the West doesn't get a good crop this year, the effects will be felt in the East as well as here. Farm spending—all business observers agree —cannot keep up through a second bad crop as it did through last year's.

Yet it isn't a big crop that businessmen or farmers are praying for. According to the latest report from the Saskatchewan Wheat Pool the area planted to wheat this year will be about 16% below last year's. Some of the reduction results from farmers deciding to plant coarse grains instead. The major part of it results from the flooding which has been over-publicized and has prevented the seeding of much good land.

But the lower acreage isn't a major cause of concern. What we need this year is good wheat rather than a lot of wheat. Canada has plenty of last year's poor wheat, grading No. 5, No. 6 and Feed. The United States is loaded to the gills with it. But the stuff which Canada can sell without too much difficulty, the stuff which brings the best price, the stuff which the U. S. cannot supply—even by give-aways—is the prime hard northern grading Nos. 1, 2 or 3. This is what the world wants to make its flour with. And if we can only get a fair crop of high-grade wheat, nobody will be too much worried about the quantity of low-grade wheat harvested.

That's the snag about this spring's wet weather. In the long run the plentiful supply of moisture is excellent. It has restored the water table; and if it has flooded some of the land which is generally considered the best, it has compensated by promising good crops in what is generally the dry belt. Down in the southwest corner of this province, in Palliser's famous Triangle observers report excellent prospects.

The dark side of the picture is that the seeding is late and the wet conditions are apt to favor rust. Being late planted and late germinating, this crop has very little margin for accidents. It's especially exposed to the threat of an early frost. It must have consistent warm weather from now on, and then showers at the right time.

This is a normal prairie condi-

(Continued on page 3, col. 1)

Stock Market Highlights

Industrials

Aluminium drops back from high of $106⅛ following quick run up after price broke through $100 mark last week.

Ford A surges ahead to a top of $127, later slipping back to about $124 following removal of strike danger overhanging U. S. parent when contract signed with union. Motors generally were strong. **General Motors of Canada** reported record sales in May.

Abitibi highlights strong list of papers, hitting a high at $35 for a gain of almost $2 in a week. **Consolidated** chalks up a climb of more than $1 and **Eddy** rises about $1.75.

Mines and Oils

Rayrock moves to new high at $5.25 after week-end plug from U. S. news commentator and settles back to trade at $4.50 level in midweek.

Black Bay was feature at midweek following news of a drill hole intersection running 3-6% uranium U_3O_8 over 45 ft.

McIntyre a major winner in rising some $9 although down from $92 high as rumors circulate company to be split into mining firm and investment organization. Talk cash payout of $50 a share.

Imperial Oil hits high of $39 as refining oils attract buying interest to lead industrial stocks to record levels. **B-A Oil** also climbs.

"Terylene"* Tricot Shirts

keep fresh and neat through your longest day!

For men who value neatness — for "one-shirt" travellers, college men, hotel-dwellers . . . an "Arrow" shirt of dazzling white "Terylene" Tricot. This new "wonder" shirting is incomparably washable . . . seldom needs the touch of an iron.

* *Terylene Polyester Fibre is made in C-I-L's new twenty-million-dollar plant near Kingston, Ontario.*

EATON'S OF CANADA

Blind River Area to Get Big Pulp-Paper Operation?

The big Blind River uranium area of Ontario may soon have another industry—a pulp and paper mill. Reports from widely scattered sources this week indicate that serious consideration is being given to a big new operation on the north shore of Lake Huron.

McFadden Lumber Co., one of the largest lumbering firms in the province, and now owned partly by the big U. S. paper producer, Mead Corp. of Dayton, Ohio, and by E. P. Taylor interests, has been seeking a forest management license in the Mississagi area. The area chosen is largely covered by coniferous type trees and is highly adaptable to an integrated pulp and paper operation.

A pulp and paper operation in that area has been considered for some time. But a disastrous forest fire in 1948 and then uncertain pulp market outlook, delayed any decision. Now, practically every major Canadian producer is going all out and still not able to keep up with orders.

Mill decision depends first on securing the forest management license from the Ontario Dept. of Lands & Forests, and there is high hope that such license will be granted soon.

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Agricultural Press Association of Canada (Toronto) — P. H. Butler, manager, Maritime Farmer and Co-operative Countryman, Saint John, N.B., president; H. F. Weld, Farmers Advocate and Canadian Countryman, Toronto, R. J. Horton, Country Guide, Winnipeg, L. H. Meyer, Le Bulletin des Agriculteurs, Montreal, vice-presidents; G. J. McGoey, McGoey Bros., Toronto, honorary secretary.

American Marketing Association (Toronto Chapter) — Logan R. Brown, Lever Bros., Toronto, president; Clifford Balson, McKim Advertising Ltd., vice-president; G. W. Whidden, Gruneau Research Ltd. secretary; L. G. Gray, Canadian Facts Ltd., treasurer.

Argus Corporation (Toronto) — John A. McDougald, director.

Building Materials Display Centre (Toronto)—Roderick Macdonald, executive vice-president.

Burns & Co. (Calgary)—Reginald S. Munn, president; J. H. Kelly, vice-president, also president, subsidiary, Consolidated Fruit Co.; R. R. Furlong, vice-president in charge of marketing and merchandising.

Business Newspapers Association of Canada (Toronto)—D. F. Hunter, vice-president and managing-director, Maclean-Hunter Publishing Co., Toronto, president; H. T. Mitchell, Mitchell Press Ltd., Vancouver, M. G. Christie, National Business Publications, Gardenvale, Que., J. A. Daly, Hugh C. MacLean Publications, Toronto, J. L. Craig, Maclean-Hunter Publishing Co. Toronto, vice-presidents.

Business Paper Editors' Association (Toronto)—R. R. Fife, National Business Pub. Ltd., president; J. R. Watson, Fullerton Pub. Co., 1st vice-pres.; T. E. Turner, Hugh C. MacLean Pub. Ltd., 2nd vice-pres.; C. A. C. Gray, Consolidated Press, secretary-treasurer; Gerard Belair, Maclean-Hunter Pub. Co., Montreal, Harold Acker, Hugh C. MacLean Pub. Ltd., Toronto, Hugh Anderson, Stovel Advocate Pub. Ltd., Winnipeg, L. G. Ecroyd, Mitchell Press Ltd., Vancouver, zone chairmen; Michael Barkway, The Financial Post, Maclean-Hunter Pub. Co., Ottawa Liaison.

Canada Paper Co. (Montreal)—A. J. Philip, vice-president and general manager.

Canadian Bankers Association—F. W. Nicks, general manager, Bank of Nova Scotia, president; Ulric Roberge, general manager, Banque Canadienne Nationale, A. C. Jensen, vice-president and general manager, Bank of Montreal, N. J. McKinnon, vice-president and general manager, Canadian Bank of Commerce, J. S. Proctor, vice-president and general manager, Imperial Bank of Canada, vice-presidents.

Canadian Exporters Association (Montreal)—Brinley Taylor, vice-president, Courtaulds (Canada) Ltd., director.

Canadian Gass Association (Toronto)—P. W. Geldard, president.

Canadian General Electric Co. (Toronto)—H. M. Turner, chairman; James H. Goss, president and chief executive officer.

Canadian National Railways (Montreal)—Harry L. Slater, assistant comptroller of revenues.

Canadian Paper Box Manufacturers Association (Toronto) — F. L. Damon, Collett-Sproule Boxes Ltd., Toronto, president; J. G. Mackinnon, Dominion Containers Ltd., Montreal, vice-president; C. S. Smith, Dominion Paper Box Co., Toronto, treasurer; S. A. Allan, F. A. L. Charlesworth, A. C. Adam, J. H. Eager, L. Hinton, M. Knowles, directors; E. A. Mateer, executive secretary.

Canadian Petroleum Association (Calgary)—John S. Peach, public relations director.

Canadian Tappan Stove Ltd. (Montreal)—G. H. Wright, responsible for national advertising and sales promotion.

Canadian Westinghouse Co. (Hamilton)—D. C. Marrs assistant comptroller.

Christie Brown & Co. (Toronto)—N. Murray Brown, vice-president and director of sales; John A. Whitten, director of production and engineering; Fred M. MacNicol, district sales manager of Western Canada, with headquarters at Winnipeg.

Computing Devices of Canada Ltd. (Ottawa)—C. K. Wolff, comptroller; W. H. Holroyd, sales manager; D. J. Maser, contracts administrator and public relations manager.

Controllers Institute of America (Toronto Control) — A. R. MacCallum, Standard Sanitary & Dominion Radiator Ltd., president; J. G. McKnight Shirriffs Ltd., vice-president; E. H. Card, Frigidaire Products of Canada, secretary; D. S. Chant, Duplate Canada Ltd., treasurer.

Controllers Institute of America (Vancouver Control)—H. A. Dunlop, British Columbia Sugar Refining Co. president; J. C. Gilmer, Canadian Pacific Airlines Ltd., vice-president; J. W. Hudson Burrard Dry Dock Co., secretary; A. P. Frieseh, White Pass & Yukon Corp., Vancouver, treasurer; J. D. Burton, H. J. Burns, G. J. C. Hodson, G. W. S. Montgomery, W. A. Reid, directors.

Crawley Films Ltd. (Ottawa)—J. E. Walsh, comptroller.

Crown Zellerbach Canada Ltd. (Vancouver)—E. W. Campbell, vice-president industrial relations.

Dack Corp. (Toronto) — F. I. Lomas, director.

R. A. Daly & Co. (Toronto) — Robert F. Robb and T. E. Rogers, directors.

Dictaphone Corp. (Toronto)—L. Y. Wynn, divisional manager for Quebec province, headquarters Montreal.

Dominion Steel & Coal Corp. (Sidney) — Howard J. Bezanson, general manager subsidiaries at Trenton,—Eastern Car Co., Trenton Steel Works Ltd., and Trenton Industries Ltd.

Dunlop Canada Ltd. (Toronto)—J. R. Swann, secretary-treasurer.

Department of Public Works (Ottawa)—G. B. Williams of Winnipeg, chief engineer, development engineering branch.

E. & A. Gunther Co. (Brantford, Ont.)—H. K. Lingard, general manager.

Eric H. Hardman Ltd. (Toronto)—A. P. Morrow, vice-president and director in charge of western sales.

John Inglis Co. (Toronto) and English Electric Co. of Canada (St. Catharines, Ont.)—Noe A. Timmins, Jr., chairman of each company and John A. Boyd, vice-president each company.

Institute of Chartered Accountants of Ontario (Toronto)—W. M. Brace, president; J. R. M. Wilson, and W. I. Hetherington, vice-presidents; M. A. Bradshaw, secretary; J. G. Brown, treasurer; G. W. Benson, London, W. G. Leonard, Kingston, H. R. Macdonald, Windsor, R. B. Taylor, Hamilton, D. A. Ampleford, R. B. Dale-Harris, J. W. Glendinning, T. C. Kinnear, L. J. Smith and G. H. Spence all of Toronto, council members.

Investment Dealers' Association of Canada, Toronto — J. R. Hughes, Royal Securities Corp., Montreal, president; J. D. Wood, J. C. Mackintosh & Co., Halifax, vice-president and chairman, Atlantic District; E. F. C. Kinnear, W. C. Pitfield & Co., Montreal, vice-president and chairman, Quebec District; N. H. Gunn, Bell, Gouinlock & Co., Toronto, vice-president and chairman, Ontario District; G. S. Swindell, Wood Gundy & Co., Winnipeg, vice-president and chairman Mid-Western District; W. R. Taprell, Carlile & McCarthy Ltd., Calgary, vice-president and chairman, Alberta District; G. D. Sherwood, Thomas B. Read Co., Vancouver, vice-president and chairman, Pacific District.

W. R. Orr Ltd. (Toronto)—Val K. Unwin, account executive; E. G. Weaver head of merchandising and marketing division.

Magazine Publishers Association of Canada (Toronto)—K. L. Whelan, Maclean-Hunter Publishing Co., Toronto, president; G. F. Maccabe, Maclean - Hunter Publishing Co., Charles Sauriol, Poirier Bessette et Cie Ltee., Toronto, vice-presidents; Miss Mabel Ferris, Health, Toronto honorary secretary.

Personal Finance Co. of Canada, (Toronto) — John M. Rathje manager, Edmonton, North branch.

Rolph-Clark-Stone Ltd. (Toronto)—H. A. Ellam, manager, new research and development division; continues to supervise litho division.

Ronson Art Metal Works (Canada) Ltd. (Toronto)—A. B. Johnson, general manager.

Rootes Motors (Canada) Ltd. (Toronto)—M. G. Musgrove, sales manager, Canada, headquarters Toronto.

Royal Architectural Institute of Canada (Ottawa) — A. J. C. Paine, Montreal, president; W. B. Riddell, Hamilton, 1st vice-pres.; A. E. Priest, Halifax, 2nd vice-pres.; Maurice Payette, Montreal, honorary secretary; D. E. Kertland, Toronto, honorary treasurer; C. J. G. Carroll, secretary.

Royal Trust Co. (Montreal) — C. A. Jerry, supervisor business development, headquarters Toronto.

L. E. Shaw Ltd. (Halifax)—R. H. Shaw, president; L. E. Shaw, chairman; A. C. Cole and L. R. Shaw, vice-presidents.

Wells Organizations of Canada Ltd. (Toronto)—C. A. McDonald of Toronto, president; L. G. Wells, managing director.

Defense Spending Levels But No Drop In Sight

(Continued from page 1)

periods and ensuing slumps. But the total will remain relatively stable, at around $2 billion.

As well as the multi-million dollar expenditure needed to bring a successor to the CF-100 into production, orders have yet to be let for the entire mid-Canada radar line. Unofficial estimates place the cost at almost $200 millions. Canada's share of the distant early warning line is also substantial.

U. S. Out-Buying Us

The "defense balance of payments" will continue to favor Canada, even more sharply than last year. In 1954, reciprocal purchase records showed that Canadian buying in the U. S. amounted to $106,870,000, while U. S. purchases here were higher, at $115,840,000. (Only other major recipient of Canadian defense dollars was the U. K. with $29 millions worth of orders, largely in naval guns, and Centurion tanks.)

Between Apr. 1, 1951, when the Department of Defense Production was established, and Dec. 31, 1954, defense orders worth $4,674 millions have been placed. Some 40% of this went for the RCAF's aircraft program; 11% for defense construction. Electronics and communications equipment, shipbuilding and ammunition were the other major spending categories.

"We are convinced," Defense Minister Ralph Campney states in his 1955-56 white paper, "that the best way to avoid a war of annihilation is to make plain to any potential aggressor that we have the strength to defend ourselves."

He also hints that some change in the balance between conventional and atomic weapons may be required during the forthcoming period of armed vigilance.

The 1955-56 cash disbursement estimates show a total hike of $125,621,000 — with the RCAF getting nearly 50% of the increase. Procurement of equipment is set at about $675 millions, with aircraft accounting for almost one half. And budgets are tighter this year; allowances will almost certainly be exhausted.

Nothing can touch the LUXURY OF PURE SILK

Textured to a man's taste, nubbed like tweed in Italy, cool, practically weightless. Simpson's will tailor it to your individual measurements in brown, black or grey with blue slub; solid brown, blue, charcoal, silver, black or maroon. Two-piece suit, $135

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Tailored-to-Measure Shop — Second Floor — Dept. 264

Mink, Caviar Soviet Bait To Tempt Canadian Buyers

When some three million Russian furs go on sale July 25 at the 26th annual Leningrad fur auction, the auctioneers will be watching closely for the signals of Canadian buyers. Its all part of an over-all Soviet campaign to increase exports to Canada.

For the first time, paid advertisements have been placed in Canadian newspapers announcing the sale and adding that "V/O Sojuzpushina (the Russian State fur agency) cordially invite buyers interested in the above commodities to attend this auction."

A. I. Lobatchev, Soviet commercial counsellor in Ottawa, said no buyers have yet applied for permits to attend the auction but he expects a few will eventually apply.

Mr. Lobatchev said the U.S.S.R. is seeking to boost sales in Canada and, in addition to furs, efforts will be made shortly to sell Canadians more caviar, spratts (a fish delicacy), vodka and other luxury goods. For the time being, Russia is not contemplating sales in Canada of manufactured or semi-manufactured goods.

Last year Canadian fur dealers bought more than $1 million worth of furs at the Leningrad auction. Most of the buying is done through agents in New York and London who usually bid through their representatives in Leningrad. The Canadian dealers specify the type and quality of fur they want and the prices they are willing to pay.

Some Canadian firms buy direct, notably Canadian Fur Co. of Montreal whose buyer, Jack Malperin, bought close to $500,000 worth of furs last year.

Buying through agents, George Faber Fur Importers, Toronto, paid nearly $1 million for Russian pelts last year.

Main sales are in Persian lamb, ermine, sable and mink — furs of which Russia has a complete or near monopoly. Canadian buyers report quality is usually very good and the only difficulty is in securing prompt delivery.

Auctions in London, which handle considerable quantities of Russian fur, are becoming more popular in the trade because they are more frequent and accessible. Several Canadian companies, including Creed Furs of Toronto who completed extensive purchases at a London sale six weeks ago, do all their buying there now.

cae

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Consumer Products Division
DUMONT TELEVISION
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Canadian Aviation Electronics, Ltd.
Montreal · Ottawa · Toronto · Winnipeg · Vancouver

COMPANY REPORTS

WATERLOO MANUFACTURING CO., Waterloo, Ont., had net profit of $43,028 in 1954, a drop of 34.2% from $65,369 in 1953. This excludes profits from sales of fixed assets in both years.

Sales were well maintained but expenses and profit margins were adversely affected by extremely competitive conditions, particularly in the farm machinery division, F. C. Taylor, president, states.

Balance sheet for Construction Machinery Co., of Canada in which Waterloo holds a half interest shows current assets of $88,626 and current liabilities of $15,828. Operating results of this company are not included in the Waterloo figures.

INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Net earnings	$100,110	$143,624
Less: Deprec.	23,960	24,918
Income tax res.	31,611	53,337
Subsids. loss	1,511	.....
Net profit	43,028	65,369
Less: Pref. divds.	10,125	11,250
Com. divds.	16,640	16,640
Surplus for year	16,263	37,479
Earnings per Share and Dividend Record:		
Preferred	$2.15	$2.61
Paid	0.45	0.45
Common	0.99	1.63
Paid	0.50	0.50

Note—Net profit in co's report includes profit on sale of assets of $20,635 in 1953 and $1,598 in 1954. Earnings per share on this basis would be $3.44 on the preferred and $2.25 on the common in 1953; $2.23 and $1.04 respectively, in 1954.

CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$94,363	$33,124
Accts rec., less res.	303,289	172,685
Inventories	537,925	569,407
Life ins., c.s.v.	.....	31,123
Total curr. assets	995,577	876,334
Prep. exp., etc.§	14,804	19,129
Inv. assoc. & subsid. cos.	9,203	8,500
Fixed assets*	351,996	353,929
Total assets	1,281,580	1,307,912
Total curr. liabs.	283,016	141,932
Capital stock	437,106	437,106
Capital surplus	180,000	80,000
Earned surplus	311,458	528,874
*After depr. of	459,123	444,684
§Incl. in curr. assets in co's report.		
Working capital	672,561	684,422

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in Germany. Open all year round. Balneological treatment of heart ailments originated in Nauheim almost a century ago, and was developed and perfected there.

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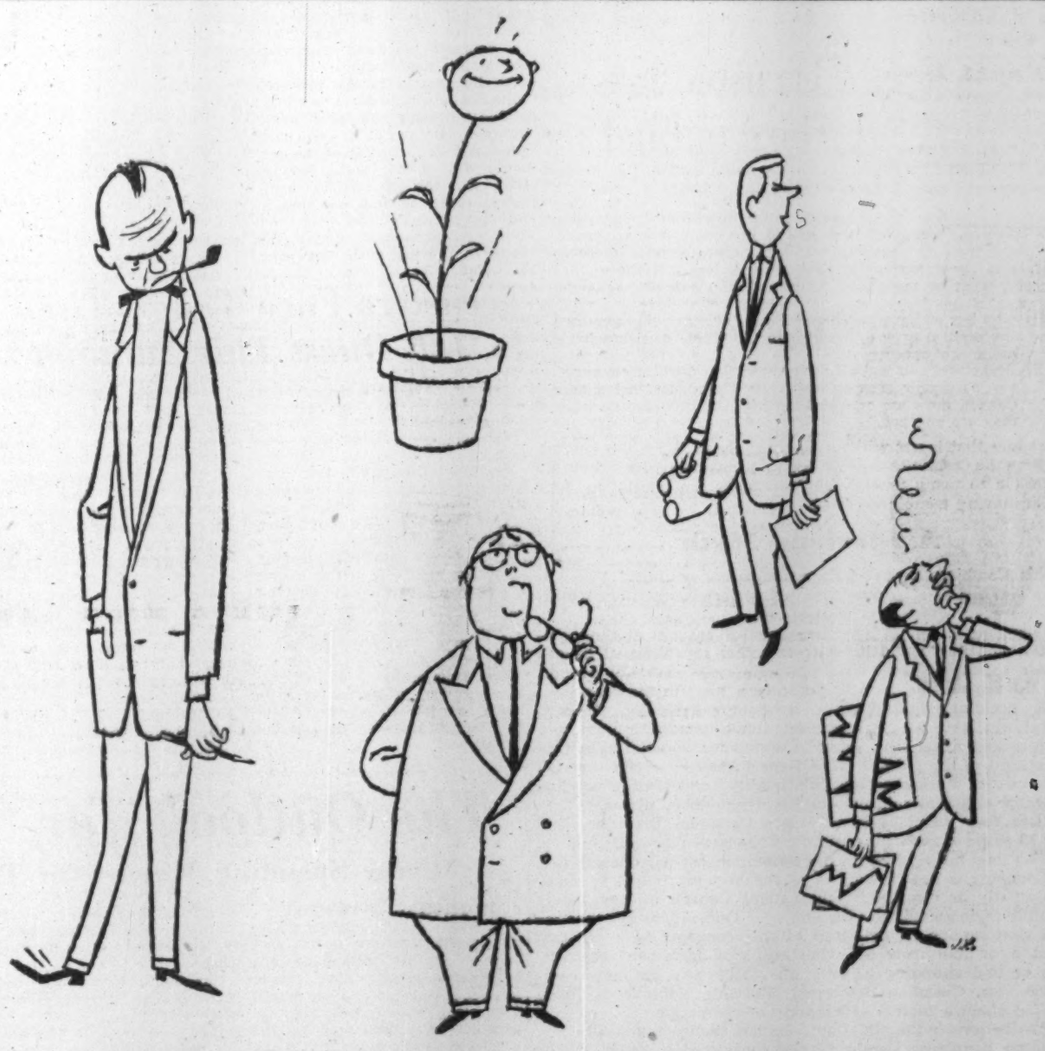

What have they in common?

Our clients come in a wide variety of sizes. But they have one thing in common.

No matter what size they are now, they want to grow and to keep on growing.

We've always felt that the size of a client's ambition was a lot more important than the size of his advertising budget.

YOUNG & RUBICAM, LTD. ADVERTISING
Toronto • Montreal • London, Eng.
New York • Chicago • Detroit • San Francisco • Los Angeles • Hollywood • Mexico City

1955 Wheat Hopes Hinge On Quality, Not Quantity

(Continued from page 1)

tion at this time of year; but it's more so this year because there's little or no margin. If we are to get a high-grade crop, everything will have to go just right from now on. And because it is the second year of the cycle, and in spite of their record incomes from 1950-1953, the farmers cannot take a second poor crop without pulling in their horns.

They say that the farmers' reaction to last year's crop failure was to cut down on capital expenditures—machinery, farm improvements and so on. This year, if they lose out again, they'll start cutting down on consumer purchases—which have been remarkably well maintained so far. So Eastern Canada has a larger than usual stake in this year's crop.

* * *

The Flood Toll

How ever well things may turn out for the farmers who can get a crop, there are some of them, both in this province and Manitoba, who won't get anything at all. Floods have washed out their farms and in some cases their homes as well. In this province the Government's first estimate was that it would have to spend about $2 millions for the relief of farmers and farm communities flooded out. (That was before Ottawa decided to make P.F.R.A. payments on land where no crop had been planted).

It also decided that it would have to spend some $5 millions to help municipalities to dig drainage ditches, rebuild roads and generally clear up after the floods. The provincial grants will be given on a sliding scale according to the burden on each municipality. Those with the least damage may get no more than 20% of their expenditure from Regina: those with a lot may get as much as 80%.

But here's the most interesting point: the $2 millions for relief and the $5 millions for rehabilitation will, as they say in the courts, "run concurrently." The able-bodied farmer will get his relief by working on the roads or the drainage system. He'll get work, not a hand-out. The $2 millions will be made part of the $5 millions.

* * *

Work for Wages

This is the most important point which Saskatchewan will raise at the June 20 Federal-provincial conference on unemployment relief.

Federal contributions to the relief of the able-bodied unemployed are offered for 30% of the cost above a certain percentage which has to be fixed (and which is intended to represent the burden of unemployables for which Ottawa does not accept responsibility). The 30% will rise to 40% and 50% as the number of unemployed rises in each province.

But what Saskatchewan wants to know is this: Will Ottawa agree to a condition that the able-bodied unemployed must work for the relief they get?

It may seem strange for a government still nominally socialistic to be so keen on this. But Premier Douglas and his Treasurer Clarence M. Fines hold to the principle which they call "work and wages." They think an able-bodied man who needs relief ought to work for it, is willing to work for it, and for the most part likes to work for it. It hasn't always, they admit, been easy to find things for him to do in his local community. But you can generally find something which improves the community and at the same time gives a man the self-respect which comes from feeling that he's earning his keep.

Saskatchewan is hoping that Ottawa will make its new contribution to unemployment relief in a form which enables the province to provide relief jobs rather than hand-outs.

* * *

Social Note

If you're keen on having a grand office with two or three specially good-looking secretaries, be a Cabinet Minister in one of these western provincial governments. Federal ministers can't compete with you.

Both Manitoba and Saskatchewan enjoy magnificent marble halls in their Parliament Buildings which make the quarters of the Prime Minister of Canada, in East Block or Centre Block in Ottawa, seem sleazy. As for Mr. Howe, in his modest office in the wooden shack known as No. 1 Temporary Building, Ottawa—why, the western provinces wouldn't put a senior civil servant in such quarters.

And in these parts they match the monumental architecture of their buildings with suitable furnishings.

INVESTMENT

PROPERTIES WANTED

WE have clients with several million dollars available for purchasing all kinds of investment properties anywhere in Canada, preferably leased for 10 years or more to well-rated tenants.

OUR greatest interest in this connection is for factories, warehouses, office buildings and chain store properties, but all types of investment properties will be considered.

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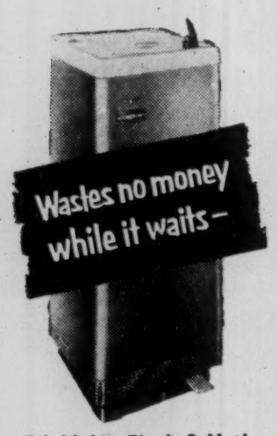

Frigidaire Flash-O-Matic Water Cooler!

Here's the sensational water cooler that wastes neither water nor electricity. It chills instantly *as water is used!* Low operating cost.

Passes rigid water chilling test!

In laboratory tests, hundreds of 8-oz. glasses of water have been drawn, one after another, from a Frigidaire Cooler, and the last glass proved just as refreshingly ice-cold as the first!

No spurt, no sputter. Automatic water pressure regulator needs no adjusting. Call your Dealer, or write: Frigidaire Products of Canada Limited, Toronto 13, Ontario.

FRIGIDAIRE
Water Coolers
Built and backed by General Motors

Look For It Here

June 18, 1955

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Black Bay	39	S. Am. Gold	38
Boreal Metals	29	Stanleigh Uran.	29
Cdn. Atlantic	38	Werner Lake	38
Hugh-Pam	14		

Auto Production

	Week ending June 11	To date
CARS		
Chrysler	1,803	48,028
Ford	4,182	59,824
General Motors	4,316	90,924
Nash	76	1,224
Studebaker-Packard	198	4,783
Hudson	36	823
Totals	10,611	205,606
Previous week	11,012	.....
TRUCKS		
Chrysler	320	4,204
Ford	624	12,575
General Motors	1,041	17,896
International	204	3,820
Studebaker-Packard	....	242
Totals	2,389	38,737
Previous week	2,744	.....

Germany Frees More Imports

(Continued from page 1)

Wood pulp of all types (only rayon grades had been freed earlier); herring oil for industrial uses; linseed oil, rape seed oil, soya bean oil, industrial, crude; varnishes on the basis of linseed; eels, fresh or frozen; lobsters and oysters, fresh or frozen; horse hair curled; rape seed; soya beans; glue; printed transfers for industrial use; mineral wax, refined; certain aluminum salts; formaldehyde and paraformaldehyde; acetaldehyde, metaldehyde and paraldehyde; prepared paints, varnishes and lacquers, put up for retail sale; polyvinylidene chloride in blocks, rods, plates and similar primary forms; barrel staves and other barrel wood of oak wood; stockings and socks made entirely of synthetic textile fabrics; sacks and bags for packing; pig iron; brass and other copper alloys, unwrought.

Aluminum waste (only turnings and filings had been freed earlier); bars, rods, angles, shapes, sections, wire (other than leonic wire), slabs, sheets, plates, hoop, strip and discs of copper, copper alloys and aluminum; tubes, pipes and hollow bars of copper, copper alloys and aluminum; cables, cordage, ropes and similar articles, of aluminum wire, not insulated for electrical purposes; lead, magnesium, tungsten, molybdenum, tantalum, bismuth and titanium, unwrought; television receiving sets; dictating machines; sound recording and reproducing apparatus; sporting guns and rifles; rubber balls.

The West German Government had been under pressure from the International Monetary Fund to remove its discriminatory import restrictions. German reserves have been growing fast enough (now over $2 billions) to allow further relaxations. More than 90% of Germany's trade with O.E.E.C. countries has already been liberalized.

Textile Labor Ready To Blow

(Continued from page 1)

cause of strengthening foreign competition. Textile firms pointed to shrunken markets, gloomy balance sheets as good reason for a reduction in costs.

But this year — with the general economy turning up but textiles still depressed — TWU decided to fight the wage-cutting trend.

It attempted to get backing from textile unions in the Trades and Labor Congress and the Canadian and Catholic Confederation of Labor.

And it announced publicly it would fight wage cuts, particularly in full-fashioned hosiery.

Generally, majority conciliation reports have been unfavorable to the union. Now the crisis is being reached.

Booming Rubber Demand Squeezes Tire Companies

(Continued from page 1)

operated almost wholly on synthetic rubber. Now for any increased supplies they are forced to switch entirely to higher-priced natural (now 30c-32c a lb. as against 24c for GR-S) and cope with the headaches of radically changed formulations.

Some of the big tire makers are insisting something must be done to assure that such a supply squeeze never develops again. They argue that since Polymer is a public company and a virtual monopoly, its first responsibility should be to domestic industry and there should always be some extra capacity and/or stockpile available for just such an emergency.

Polymer officials counter: Domestic industry has always had the first chance at our production. But surely no one expects us to change our sales pattern from export to domestic by more than 20% on a few days' notice. Since our capacity is running more than double average domestic market requirements, export business is very important to us. We do not intend to cut these long-established foreign customers off with a few days' notice when a sudden rush of domestic business floods in.

Exploratory talks have been held between Polymer officials and big rubber consumers on leveling out wide fluctuations in domestic demand. Polymer, which is currently doubling warehouse capacity, has offered to stockpile some production each year against emergency situations if some form of purchase guarantee can be provided by the big consumers. So far, the big tire people have shied away from any kind of purchase guarantee.

A new angle during last few days could in time considerably alter the supply situation. A couple of Toronto rubber brokers, representing recently formed synthetic divisions of long-established U.S. companies, have offered limited July deliveries of GR-S type rubber to Canadian tire makers. Prices are believed in line with Polymer prices plus the 5% tariff prevailing on imports of U.S. synthetic rubber grades.

Up to now Polymer has virtually had the whole Canadian market to itself. As long as they were in government hands, the U.S. wartime rubber plants operated considerably below capacity and did not go in for exports. But late in April most of these plants were sold to private industry. Already a strong competitive marketing race is lining up. Polymer officials are fully alive to the situation: look for sharply increased competition in the whole rubber marketing field.

1955 Optimism Confirmed GNP Runs at Record High

(Continued from page 1)

larger increase, with the gain in mining, quarrying and oil wells amounting to 16% over a year ago. Gains in the service industries, while less substantial than those in the primary group, were higher than in manufacturing production.

Wages, salaries and labor income amounted to $12.3 billions—1% higher than the last quarter of 1954, with the largest increase in the manufacturing group. Accompanying this rise, paid workers with jobs were up by 1.5%, and per capita weekly earnings in the main non-agricultural industries were up by 3%. Average hours worked per week in manufacturing showed an increase of 1%.

Investment income rose 6% in the first quarter, with the largest increases in the mining and durable manufacturing groups. Net residential rents was the other major component of investment income to show a gain. These increases were partially offset by the payment of higher net dividends abroad.

Indirect taxes less subsidies showed a 5% gain in the 1955 first quarter. These increases were related to higher production of durable goods, a moderate increase in consumer outlays for durables, a build-up of business inventories (especially automobiles) and a higher level of imports.

In the 1955 first quarter, business inventories were up 21.3%. Approximately half of this build-up was in automobiles. (This was achieved despite the Ford strike. Consumer reluctance to buy before the anticipated budget excise tax cuts was at least partly to blame.)

Gain In Exports

The 10.4% gain in merchandise exports in the first quarter was widespread, but most beneficially affected were agricultural products, wood and wood products, iron and its products, non-ferrous metals and chemicals.

Personal expenditure on consumer goods and services showed little change, running at an annual rate approximately 2% above the 1954 average. Durable goods purchases, which had been declining throughout most of 1954, rose by 5%. The pick-up in durable goods sales was concentrated in automobiles, but purchases of major appliances were also higher, with television set shipments up 25%.

Consumer outlays for non-durable goods dropped fractionally. Outlays for services, which have grown steadily in recent quarters, continued to move upward.

Government expenditures were unchanged from the fourth quarter of last year, running at an annual rate of $4.5 billions. Defence expenditures remained level.

Record Housing Starts

New residential construction in the first quarter was running at an annual rate of $1.3 billions, up 11% from the 1954 average. Housing starts and completions in the first quarter were well above any previous first quarter level.

During the second and third quarters of 1954, a substantial part of final demand was being met through drawing down existing inventory stocks. The turn-around in business inventories from the third quarter of 1954, to the first quarter of 1955 amounted to approximately 3% of Gross National Product. In the current quarter, business inventories build-up occurred almost wholly at the manufacturing and retail trade levels, with small additions in wholesale trade. Of the total business inventory accumulation of $400 millions, one half consisted of automobiles.

Personal income in the 1955 first quarter was up 5% from the previous year. Higher labor income, government transfer payments, and interest, dividends and net rental income accounted for the major share of the increase. Personal direct taxes were up 6%, a reflection of higher levels of personal income.

Fenimore Iron Ore Deal Set

(Continued from page 1)

Soucy, vice-president; Bernard Phillips, a director and A. C. Richardson, technical director of Battelle Memorial Institute.

The new process would be handled by the Humboldt Works division of the German company.

Consolidated Fenimore's operation is big volume, low grade. The company has been negotiating with federal and provincial authorities for construction of shipping facilities on the northern coast.

• Saving money is hard work—putting it to work is even harder. The average person really needs some experienced advice and guidance if his hard-won savings are to work hard for him. Our 30' years' experience with stocks and stock markets has helped many others to plan sensible investment programmes. Maybe we can help you—if you ask us.

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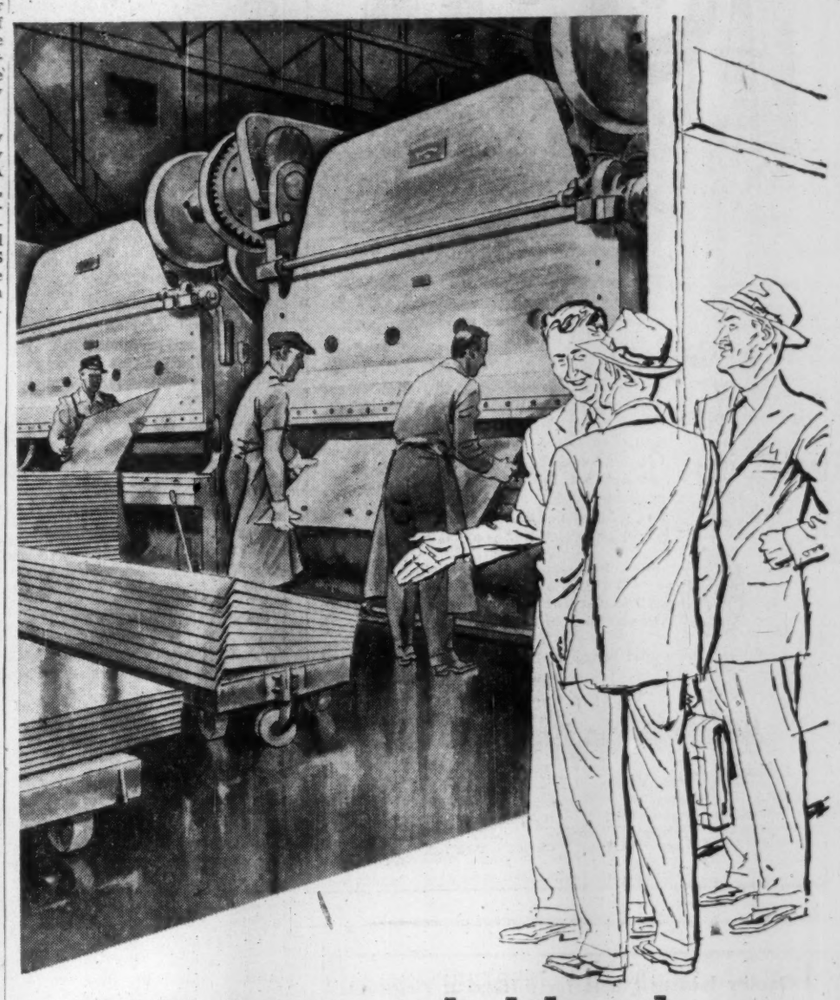

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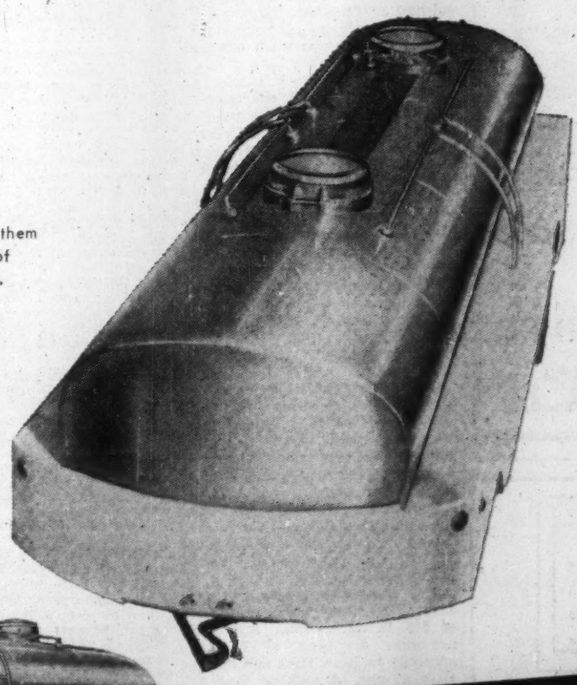
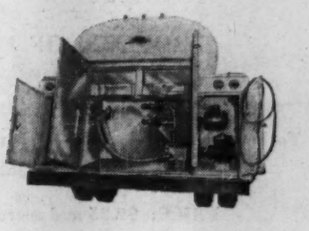
Swan Song FOR A MILK CAN

We don't say that the old, familiar milk can will disappear overnight, but you'll certainly see less of them as progressive dairies and dairy farmers take hold of this new idea in sanitary, economical milk transport.

The tank truck illustrated, which was built by L'Hoir, is actually two stainless steel tanks, one inside the other, separated by a thick cork insulation. It has a capacity of 2,200 gallons, includes a refrigerated sample cabinet, and is equipped with electric and gasoline motors to drive the special stainless steel pumps which pump the milk into or out of the tank as required.

Every detail of construction was worked out to make sure that the cleanliness of the milk is maintained. Even the hose is 2" Tygon plastic tubing which does not allow the milk to cling to its wall.





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Montreal District
St. Pierre & Beaulac,
5002 Park Ave.,
Montreal, 8, Que.

Ontario
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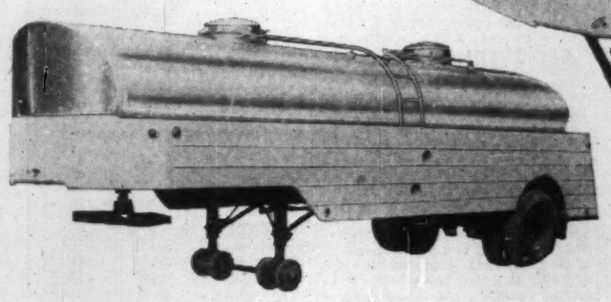

These tanks are made to order by L'HOIR, for trucks, trailers, or semi-trailers to any capacity desired.

L'HOIR Inc.
LEVIS, QUEBEC

An authoritative booklet about

The revised edition of a booklet entitled "*Facts and Figures about Canadian Oil*" has just been published and is available for investors.

In concise table form, this informative booklet covers oil progress in Canada during the past 10 years. A small map shows Canada's important oil fields and up-to-date figures give particulars of Canadian consumption of petroleum products and the production and reserves available to meet these needs. Pipeline and refinery figures are given and field prices and price trends are listed.

"Facts and Figures about Canadian Oil" is of particular interest to all who own oil securities and to anyone considering the purchase of such bonds or shares.

A complimentary copy will be sent upon request.

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SALE OF VESSEL

Tenders are invited for purchase of SS "Brigus"; built 1943; gross tons 2874.96; Draught Loaded 20' 10½"; Class 100 A-1 Lloyds; Single Screw Triple Expansion Reciprocating Engines; Two Scotch Marine Boilers; Speed 10 Knots; Coal Bunkers 699 Ton Capacity.

Delivery anticipated at St. John's, Newfoundland. Vessel offered in such condition and location as it then shall be with the exception of fuel and unbroached stores which shall be for account of purchaser.

Offers should be submitted to undersigned in envelope clearly marked "TENDER FOR SS BRIGUS".

Inspection or additional information will be arranged and owners reserve right to sell vessel any time satisfactory offer is received.

Terms: Cash—10% on signing of bill of sale—balance on delivery of vessel, payable in Canadian funds.

E. A. BROMLEY,
Vice-President,
Canadian National Railways,
Montreal 1, Quebec.

NOTICE

Notice is hereby given that Certificate of Registry No. C 1573 dated May 3, 1955, has been issued to the Boston Manufacturers Mutual Insurance Company authorizing it to transact in Canada the business of FIRE INSURANCE and, in addition thereto, CIVIL COMMOTION INSURANCE, EARTHQUAKE INSURANCE, FALLING AIRCRAFT INSURANCE, HAIL INSURANCE, IMPACT BY VEHICLES INSURANCE, LIMITED OR INHERENT EXPLOSION INSURANCE, SPRINKLER LEAKAGE INSURANCE and WINDSTORM INSURANCE, limited to the insurance of the same property as is insured under a policy of Fire insurance of the Company.

This Certificate replaces the one formerly issued to the Boston Manufacturers Mutual Fire Insurance Company.

F. W. HARVEY,
Secretary.
James P. McD. Costigan,
Chief Agent in Canada,
Toronto, Ontario.

As principals we offer if, as and when issued and accepted by us and subject to prior sale:

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(New Issue)

3¼% Sinking Fund Debentures

To be dated July 1, 1955 To mature July 1, 1973

Callable on or after July 1, 1970

PRICE: 99.25 and accrued interest

YIELD: 3.30%

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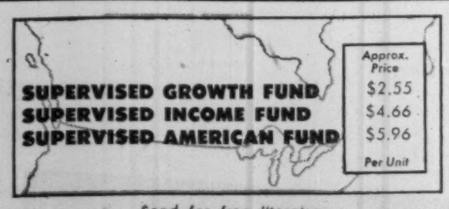

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C-I-L '54, Du PONT

'Babies' With Big Muscles

How Court Offspring Are Doing on First Birthday

Celebrating their first birthday July 1, Canadian Industries (1954) Ltd. and Du Pont of Canada Securities Ltd. are husky, healthy and growing "babies" on Canada's industrial scene.

Born on the "death" of their 44-year-old forefather, Canadian Industries Ltd. by court order, the two companies have ploughed, planned or repaid for expansion about $70 millions in their first year of operations.

True, stocks in the companies have shown little change on the year. CIL 54 came on the market at 20⅝ and closed at 22 June 13, 1955, a price change of 1⅜. It hit a high of 28¼ and a low of 19⅝. Du Pont was first traded at 25½ and closed June 13, 1955, at 26, a price change of ½, after touching a high of 35¼ and a low of 24⅛. Yet, despite the narrow margin of price movement, their expansion may provide the direction finder to future development.

The 1954-55 box score perhaps highlights two things:

1. Du Pont's expansion plan is based on diversification. At the time of the split, its two major lines were Cellophane and nylon. Since nylon is closely allied to the textile industry, as the industry goes, so go nylon sales. The industry has been depressed which leaves production vulnerable. Du Pont is moving to rectify this situation.

2. CIL 54 lost its textile business interests in the split and has moved back into this line with production of "Terylene" at its new $22 million Millhaven (Ont.) plant. It has also expanded in its other lines.

CIL 54 raised $51 millions last year by issue of debentures and additional common shares. This amount will be or has been used for development. At the same time the company has announced further undertakings involving $12 millions. The company's fixed investments within three or four years should be as large a figure as the former C-I-L before the division.

Here are the highlights:

—Announcement was made this week of a new plant to be constructed at Millhaven, Ont., costing $9 millions and scheduled for completion late next summer. It will produce anhydrous ammonia.

—Completion of a chlorine and caustic expansion at Cornwall, Ont., scheduled for the end of the year.

—Purchase and completion of "Terylene" plant at Millhaven, Ont., amounting to $22 millions.

—Six million dollars was included in development and improvement program last year including two millions for research and growth at Beloeil, Que., Brownsburg, Que., Edmonton, Alta., and Toronto.

—At McMasterville, Que., a new wing of its central research laboratory costing $600,000 was opened last year.

—Expenditure of $3 millions planned for expanding paint production facilities in Toronto this year.

—Studies have been undertaken on possibilities of producing new products in Canada.

Du Pont's Growth

Meanwhile, Du Pont has spent or has plans for spending some $6 millions to $10 millions. This includes:

—Options on 3,500 acres of land near North Bay for construction of a commercial explosive plant to serve mining and construction industries.

—A plant is under construction at Maitland, Ont., for manufacture of "freon" fluorinated hydrocarbons, gases which create the cooling action in air conditioning and refrigeration systems, among other things.

—A $1.5 million research laboratory — first of a five unit research centre — at Kingston, Ont., scheduled for completion this month.

—Entry into the automotive refinish business through company's chemical department. Products expected to be available July 1.

—Expansion at Shawinigan "Cellophane" plant.

The Sales Levels

Sales of CIL 54 for the first quarter of '55 were higher than for the same operating units in the comparable 1954 period. During the last six months of 1954, the first six months of operations, sales were $45.6 millions, $8.3 millions below the first six months of the year and 2% below the comparable period in 1953.

Sales of Du Pont for the six months ended Dec. 31, 1954, amounted to $27,986,000. The year's total of $55,572,010 was 2% higher than in the full year preceding, chiefly due to special export business. Improvement was maintained in the first quarter of 1955.

Du Pont's immediate future fortune will continue to depend to a large degree on the textile industry. Nonetheless, company expansion shows diversification under way in keeping with its long-range program.

CIL's outstanding capitalization at July 1, 1954, was 46,500, 7½% cumulative preferred shares, $50 par, and 13,500,000 authorized common shares with 7,174,457 outstanding. With the new financing, number of issued common shares was increased to 8,609,348.

Du Pont to date has not done any public financing. At July 1, 1954, it had 13,500,000 authorized common shares with 7,174,457 outstanding, and reached 7,176,771 in 1955 with issuance of 2,314 common shares under company's bonus plan. In preferred shares it had $2,325,000 of $50 par outstanding.

CIL's total current assets at Dec. 31, 1954, amounted to $51,593,764 against $35,755,152 at July 1, 1954, indicating sizeable growth. Working capital was $41,487,501 at Dec. 31, 1954, against $9,426,137 at July 1, 1954. Net profit for the six months ended Dec. 31, 1954, was $2,041,192 against $3,302,188 for the six months ended June 30, 1954. Comparisons are difficult and apt to be misleading because of several factors involved on the split.

Current assets of Du Pont at Dec. 31, 1954, totaled $15,892,984 against $12,041,484 at June 30, 1954. Working capital was $9,609,764, at Dec. 31, 1954, compared with $7,818,645 at June 30, 1954. Net earnings for six months ended Dec. 31, 1954, were $2,724,398, compared with net of $4,664,000 for the year ended Dec. 31, 1953, and $1,489,000 for the six months ended June 30, 1954.

Can. Foundries Plans Four-For-One Split

Shareholders of Canada Foundries & Forgings will consider splitting class B shares four-for-one and converting the stock into common at a special meeting in Brockville, Ont., June 28. There are 40,000 B shares authorized of which 9,600 are issued. The 80,000 authorized class A shares remain unchanged.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Retail

ROBINSON, LITTLE & CO., Winnipeg, had a consolidated net profit of $36,071 in 1954. In 1953, profit was $95,481 on a non-consolidated basis.

Results were very disappointing, states Gardner L. Williams, president. It became apparent early in the year that acquisition and conversion of the Brock Company (Western) Ltd., in Calgary had proved a far from successful venture.

Under a franchise agreement, the company could sell only one account in each community and was unable to sell many accounts previously serviced by Brock, resulting in a sharp reduction in overall volume. A great deal of expense was also incurred in staff duplication.

It was decided to close the dry goods warehouse in Calgary, dispose of the main building in Calgary and a branch in Edmonton to supply working capital. A sale of obsolete merchandise was held in Calgary warehouse, and included obsolete goods from Winnipeg. A great deal of the merchandise was sold below cost.

Two businesses — at Deloraine, Manitoba and Wolseley, Sask.—were purchased and are operated as separate subsidiaries with the managers as shareholders. The company intends to set up all branch stores under similar partnership plans. Seven dealer stores were opened. The company plans an aggressive program of purchasing proven profit-making outlets and establishing company - controlled partnership stores in secondary shopping centres, and in larger towns and smaller cities in high traffic locations.

CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1954	†1953
Oper. profit	$163,030	$243,376
Less: Depr.	37,639	29,066
Deb. int.	43,737	44,224
Income tax	48,563	74,805
Net profit	36,071	95,181
Less: Cl. A divds.	25,000	25,000
Com. divds.	44,000	44,000
Surplus for year	*32,929	26,181

*Deficit.
†Not consolidated.

Times Debent. Int. Earned:		
Before deprec.	4.00	5.31
After deprec.	2.08	4.65
Earnings per Share and Dividend Record:		
Class A	$1.44	$3.82
Paid	1.00	1.00
Common	0.20	1.28
Paid	0.80	0.80

CONDENSED CONSOL. BALANCE SHEET

As at Dec. 31:	1954	†1953
Cash	$4,358	$2,905
Accts. rec. less res.	414,938	371,098
Inventories	978,607	1,100,483
Total curr. assets	1,397,873	1,474,486
Misc. assets	36,727	29,859
Invest. in subs.	.....	530,153
Fixed assets*	456,139	198,532
Total assets	1,890,739	2,232,872
Due bank	221,911	32,265
Accts., tax., etc., p.	209,184	207,740
Debent. due	60,000	60,000
Mtge. instal. due	13,333	1,500
Conting. res.	10,000	10,000
Total curr. liab.	514,428	501,505
Due subsid.	15,520	293,291
Funded debt	580,000	620,000
Mtge. pay.	42,500	5,500
Min. int. in sub.	24,867	.....
Inv. res.	3,775	.....
Capital stock	31,567	31,567
Capital surplus	1,593	44,836
Earned surplus	696,504	736,173
*After depr. of	239,911	134,915
†Not consolidated.		
Working capital	883,445	973,981

THRIFT STORES LTD., net profit rose 5% to $622,485 in the 52 weeks ended March 26, 1955 from $590,350 in the year ended March 27, 1954. Sales were up 13% at a new high and profit represents 1.78% of sales, compared with 1.90% in the previous year. Sales so far this year are running at an annual rate of $42 million, J. Ernest Savard, president, states.

Reduction in income taxes of $54,379 is the result of claiming maximum depreciation permitted which was more than the amount provided in the accounts. A note to the balance sheet shows that $216,563 has been claimed for depreciation in the past two years in excess of the amount provided in the accounts and had the effect of reducing income taxes by $92,734 for the two years.

Expansion program continued at an accelerated pace with 11 new and larger stores opened and six small stores closed. There were 80 units in operation in 39 cities at the end of the fiscal year.

Mr. Savard notes that in the past six years, one new store has been opened on an average of every 30 days. Two additional stores with 10,000 square feet of space have already been opened this year and leases for six other new units have been signed.

A new warehouse and office building is being built in Montreal and will have a floor area of 4½ acres. The present warehouse will be sold.

Capital expenditures during the year included $836,616 for store equipment and $121,863 for the warehouse site. Merchandise inventories were reduced by $249,189 despite the greater number of stores, reflecting tighter control. Turnover was at a faster rate as sales increased.

INCOME ACCOUNT

Years Ended:	Mar. 26 1955 $	Mar. 27 1954 $
Sales	35,039,256	30,998,313
Net earnings	1,426,709	1,393,562
Less: Deprec.	326,523	245,021
Bond int.	1,804	3,392
Inc. tax res.	473,596	553,899
Net profit	622,486	590,350
Less: Ord. divd.	241,867	238,814
Surplus for year	380,619	351,536

Note—For tax purposes in 1954-55 fiscal year, co. is claiming additional deprec. in excess of that shown in the accounts, thereby reducing the taxes by $54,379.

Earnings per Share and Dividend Record:		
Ordinary	$2.91	$2.21
Paid	†1.60	†1.30

†Plus 5% stock divd. of 1 sh. for each 20 shs. held.
‡Based on shs. o/s as calculated from divds. paid.

CONDENSED BALANCE SHEET

As at:	Mar. 26 1955	Mar. 27 1954
Cash	$527,889	$218,447
Accts. rec.	58,783	30,162
Inventories	1,583,619	1,931,808
Total curr. assets	2,369,291	2,180,417
Prep. exp.&	94,968	42,066
Fixed assets*	2,487,012	1,824,829
Total assets	4,851,271	4,047,312
Accts., etc., pay.	1,348,776	1,385,941
Divd. pay.	80,495	69,020
Bonds due	.....	35,000
Taxes	255,288	334,384
Total curr. liab.	1,689,559	1,840,045
Funded debt	.....	70,000
Capital stock	1,754,097	1,039,670
Earned surplus	1,407,615	1,097,597
*After deprec. of	1,109,432	313,136
†Incl. in curr. assets in co's report.		
Working capital	579,732	340,372

Beverages

CHATEAU-GAI WINES LTD., Niagara Falls, Ont., consolidated net profit climbed 13.6% to $151,211 in the year ended April 30, 1955 from $131,428 in the previous year.

Sales and profits were at record levels, reports A. G. Sampson, president. Share of the market continues to grow with company sales in the year ended Dec. 31, 1954 up 3.36%, compared with an all-Canadian rise of 2.97%.

An additional building has been completed at Niagara Falls, providing 200,000 gallons of extra storage space. Main floor of this building will house an automatic bottling line.

Annual meeting will be held June 27, 1955.

CONS. INCOME ACCOUNT

Years Ended Apr. 30:	1955	1954
Net earnings	$340,838	$302,667
Less: Deprec.	33,663	29,808
Income taxes	155,211	143,000
Add: Other income	.....	149
Net profit	151,964	131,428
Less: Dividends	114,000	114,000
Surplus for year	37,964	17,428
Earnings per Share and Dividend Record:		
Common	$1.33	$1.15
Paid	1.00	1.00

CONDENSED CONS. BALANCE SHEET

As at Apr. 30:	1955	1954
Cash	$10,693	$10,181
Accts. rec. less res.	261,444	269,984
Inventories	1,027,362	1,072,790
Life ins., c.s.v.	13,940	14,074
Total curr. assets	1,314,439	1,366,609
Misc. assets	180,193	180,268
Fixed assets*	995,226	492,907
Total assets	2,089,858	2,039,784
Demand loan	370,000	385,000
Accts., tax., etc., pay.	244,667	217,557
Total curr. liab.	614,667	602,557
Capital stock	1,071,327	1,071,327
Earned surplus	403,864	365,900
*After deprec. of	633,764	610,136
Working capital	699,772	764,052

North Cdn. Oils Sells $6 Million In Two Issues

North Canadian Oils has sold two new issues — general mortgage bonds and preferred shares — to pay for its investment in North Western Pulp & Power (The Post, May 28.)

The financing consists of $2.5 millions $50 par 5½% cumulative redeemable sinking fund preferred and $3.5 millions 20-year 5% general mortgage sinking fund bonds. Both issues were offered at par.

The preferred stock carries a bonus of two common shares and the bonds have stock purchase warrants entitling holders to buy 40 common shares at $5.50 each to June, 1960 and thereafter at $7.50 a share to June, 1965.

Proceeds will be used to the extent of $5 millions to buy Class A participating shares in North Western. The remaining money may be used toward payment for a 136-mile pipeline to cost an estimated $4 millions.

North Canadian also plans to issue $4 millions of 4½% first mortgage bonds to help pay for the pipeline.

Outstanding capitalization after giving effect to new financing will consist of $4 millions first mortgage bonds, $3.5 millions general mortgage bonds, $2.5 millions preferred shares and 4,700,906 common shares.

Prospectus of the offerings shows a loss of $115,465 for North Canadian in the year ended March 31, 1954, up from a loss of $49,627 in the previous year.

The preferred shares are redeemable at par plus a premium of 5% to June, 1956, with the premium dropping ¼ of 1% annually to June, 1975, and thereafter at par. A sinking fund to be established initially in June, 1960, will be sufficient to redeem $100,000 par value of preferred annually.

The General Mortgage bonds are redeemable at 105 up to June, 1956, with the redemption premium dropping thereafter at the rate of ¼ of 1% annually. A sinking fund will be established starting in 1960 sufficient to redeem all of the bonds by maturity.

Plan Elk Falls Mill Expansion

Crown Zellerbach Corp. has increased to $25 millions a capital expenditure program at the mill of its subsidiary, Elk Falls Co., Duncan Bay, B.C.

A major part of the additional program ($15 millions is already under way) involves the installation of a new paper machine at a cost of $7.5 millions. The new machine will have an annual capacity of 50,000 tons of newsprint, and bleached, semibleached and unbleached kraft paper. Output will be primarily for the domestic market. Present newsprint machine has an annual capacity of 100,000 tons.

The company has also decided to increase the designed capacity of its kraft pulp mill, now under construction, to 500 tons a day. It is now planned to install a bleach plant to handle 175 tons daily and a sawmill will be built —a departure from the purely pulp and paper activities of the mill.

The new paper machine is scheduled for operation in mid-July, 1957 at which time the redesigned kraft pulp mill will also be in full operation. The machine is being installed alongside No. 1 machine which started production in 1953. An addition to the present groundwood pulp mill will supply the extra groundwood needed.

The extra electric power (another 20,000 kw) will be provided by B. C. Power Commission's expansion program, including the Ladore and Upper Campbell development which will be in production by 1957.

'Dominion-Thrift' Would Be Biggest Food Chain Store

Combination of Dominion Stores and Thrift Stores operations would create the largest organization of its type in Canada, J. William Horsey, Dominion Stores chairman told the annual meeting.

The combined firm would have about 300 stores with annual sales currently at a rate of more than $300 millions. It would be the largest both in number of stores and in patronage, he said.

Unification of the food distributing facilities throughout Quebec and Eastern Ontario will result in more economical operations, he said.

Dominion Stores has offered to buy Thrift common shares at $40 (The Post, June 4).

Expect New Financing Of Loblaw Leased

An additional issue of $3,150,000 Loblaw Leased Properties Ltd., first mortgage bonds is expected to be offered shortly. The initial issue of $4 millions appeared in April. The company was formed to acquire 13 Loblaw Groceterias outlets (The Post, April 9).

The latest financing consists of $950,000 4½% 1-10 year serials and $2.2 million 4½% maturing in 1980. The long-term group is expected to be offered at par, compared with an offering price of 99 for the initial issue.

GONICK PUBLIC STENOGRAPHIC SERVICES
266 Bay St.
TORONTO EM. 4-5813

NOTICE

is hereby given that the Sun Insurance Office Limited has been granted by the Dominion Insurance Department, Certificate of Registry No. C 1583 authorizing it to transact in Canada the business of Boiler Insurance, Machinery Insurance and Real Property Insurance in addition to the classes for which it is already registered.

ROBERT P. SIMPSON,
Manager for Canada.

CERTIFICATE OF REGISTRY

Notice is hereby given that Certificate of Registry No. C1586 has been issued to THE HANOVER FIRE INSURANCE COMPANY OF NEW YORK, authorizing the Company to transact in Canada the business of Employers' Liability Insurance and Public Liability Insurance in addition to the Classes for which it is already registered.

W. BOADEN BURNS,
Chief Agent in Canada.

Toronto, Ontario, June 7th, 1955.

A Cornerstone of British Columbia's Economy

British Columbia Electric Company Limited, with its subsidiaries, controls the most extensive system of public utility services in Western Canada.

Abundant electric power and other services provided by this system are essential to much of the current industrial expansion so important to the Province of British Columbia. We offer, as principals —

British Columbia Electric Company Limited

First Mortgage Bonds, 3¾% Series "J"
Due June 1, 1980

Denominations: $100, $500 and $1,000

Price: 99.50 and interest to yield 3.78%

These First Mortgage Bonds, Series "J" provide an attractive public utility investment in one of British Columbia's basic industries.

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Limited

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Saint John Quebec London, Ont. Hamilton Ottawa
Kitchener Regina Edmonton Calgary Victoria
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AMERICAN SURETY COMPANY OF NEW YORK

Notice is hereby given that American Surety Company of New York has received from the Department of Insurance, Ottawa, Certificate of Registry No. C.1579 authorizing it to transact in Canada the business of Employers' Liability Insurance and Public Liability Insurance in addition to the classes for which it is already registered.

Dated at Toronto, Ontario, June 10, 1955.

JOHN B. ALEXANDER,
Manager for Canada.

THE NORTH RIVER INSURANCE COMPANY

NOTICE is hereby given that The North River Insurance Company has received from the Department of Insurance, Ottawa, Certificate of Registry authorizing it to transact in Canada the business of Accident Insurance, Plate Glass Insurance and Theft Insurance, in addition to the classes for which it is already registered.

Dated at Toronto this 1st day of June, 1955.

W. G. CHAPMAN,
Resident Secretary.

SAPPHIRE PETROLEUMS LIMITED

Notice to Debentureholders

The holders of SAPPHIRE PETROLEUMS LIMITED 5% CONVERTIBLE SINKING FUND DEBENTURES are reminded of the conversion privilege attaching to such Debentures, a description of which is contained in the following quotation from the Trust Deed providing for the issue of such Debentures:

"The holders of any Debentures shall have the right at any time before the close of business on the 30th day of June, 1955, to convert such Debentures into fully paid and nonassessable shares in the capital stock of the Company as constituted at the date of this Trust Deed and ranking pari passu with all other shares on said date, on or at the basis or rate of Twenty-two (22) shares for each One Hundred ($100.00) Dollars principal amount of said Debentures, and at any time thereafter but prior to the close of business on the 30th day of June, 1958, on or at the basis or rate of Eighteen (18) shares for each One Hundred ($100.00) Dollars principal amount of said Debentures, and at any time thereafter but prior to the close of business on the 30th day of June, 1962, on or at the basis or rate of Fifteen (15) shares for each One Hundred ($100.00) Dollars principal amount of said Debentures."

Conversion at the aforementioned rate of 22 shares per $100.00 principal amount, which is equivalent to approximately $4.55 (U.S. Funds) per share, may be made at the offices of The Bank of New York, New York, N.Y., or at The Toronto General Trusts Corporation, Toronto, Ontario, provided same is done on or before June 30th, 1955.

H. D. POOLE,
Secretary-Treasurer

Toronto, Ontario
June 10th, 1955

DOMINICK CORPORATION OF CANADA
360 ST. JAMES STREET WEST
MONTREAL
TELEPHONE: PLATEAU 8153

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ANNOUNCEMENT

Royal Trust Appointment

C. A. JERRY

Carman A. Jerry, whose appointment as Superior of Business Development for the Royal Trust Company has been announced. Mr. Jerry joined the Company in 1929 and has been in charge of business development in Toronto since 1941. He will continue to make his headquarters at Toronto.

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NOTICE OF REDEMPTION

PROVINCE OF QUEBEC

$9,725,000 3½% Debentures dated September 1st, 1942, maturing September 1st, 1957.

Notice is hereby given that the $9,725,000 3½% Debentures dated September 1st, 1942 of the Province of Quebec, issued under the authority of the Revised Statutes of Quebec, 1941, chapter 71, and subject to prior redemption according to the terms of the Debentures, are hereby called for redemption on the first day of September, 1955 at their face value plus interest accrued to the said redemption date.

Debentures, with all coupons maturing subsequent to September 1st, 1955 attached, may be surrendered against payment in lawful money of Canada, at the banks and the places of payment stipulated in the Debentures. Registered Debentures should be accompanied by all instruments requisite for transfer.

Interest on all of such Debentures shall cease to accrue on the first day of September, 1955 and thereafter the holders of such Debentures shall have no rights except to receive payment of principal and accrued interest to the said redemption date.

Province of Quebec
ONÉSIME GAGNON
Minister of Finance

June 10th, 1955.

NOTICE OF REDEMPTION

PROVINCE OF QUEBEC

$10,000,000 3½% Debentures dated March 15th, 1939, maturing March 15th, 1959.

Notice is hereby given that the $10,000,000 3½% Debentures dated March 15th, 1939 of the Province of Quebec, issued under the authority of the Act 1 Edward VIII (2nd Session), Chapters 2 and 3, and subject to prior redemption according to the terms of the Debentures, are hereby called for redemption on the 15th day of September, 1955 at their principal amount plus interest accrued to the said redemption date.

Debentures, with all coupons maturing after September 15th, 1955 attached, may be surrendered against payment in lawful money of Canada, at the banks and the places of payment stipulated in the Debentures. Registered Debentures should be accompanied by all instruments requisite for transfer.

Interest on all of such Debentures shall cease to accrue on the 15th day of September, 1955 and thereafter the holders of such Debentures shall have no rights except to receive payment of principal and accrued interest to the said redemption date.

Province of Quebec
ONÉSIME GAGNON
Minister of Finance

June 10th, 1955.

Plan to Diversify Behind A. V. Roe Offer to CanCar

MONTREAL (Staff)—A plan to diversify its operations is behind A. V. Roe Canada Ltd.'s offer to shareholders of Canadian Car & Foundry Ltd.

Avro stipulates that if the offer to purchase all CanCar's stock at $30 per share is accepted within four months (Oct. 8) by holders of a minimum of 90% of the class "A" and ordinary shares, it proposes to invoke provisions of Section 128 of the Companies Act of Canada to acquire any remaining shares.

Directors of CanCar have declared they intended to accept the offer for such shares as they own or control. At their monthly meeting last week, they decided to unanimously recommend that shareholders accept the offer.

In Toronto, Crawford Gordon, Jr., president and general manager of A. V. Roe Canada, was reported as saying the projected integration of the two companies was "a natural one" for both. He said CanCar was established in the commercial field into which Avro had not yet moved although both are in heavy industry.

The goal of the company, he explained, was to broaden its industrial base and diversify its operations and interests.

Four-Month Deadline

Share certificates and letters of transmittal must reach the Montreal Trust Co. or its agents, the Royal Bank of Canada, the Bank of Montreal and the Canadian Bank of Commerce, within four months of the June 8 offer.

Avro has reserved the right to waive non-fulfilment in whole or in part of conditions involved in the deal and proceed with payment for deposited shares.

In 1953-54, Canadian Car had an average of 7,000 shareholders. There are 370,412 outstanding class A shares of $20 par and 370,388 ordinary shares of no par value. If all the shares were turned over to Avro it would involve an outlay of $22.2 millions. On June 13, Canadian Car ordinary closed at 28¾ on the Montreal Stock Exchange while the "A" wasn't traded but was 28½ bid, 28¾ asked. The ordinary shares hit a high of 29 and a low of 19¾ this year. "A" shares touched a high of 28⅞ and a low of 21.

Avro stipulates that in no event will the transfer of deposited CanCar shares to Avro be implemented before Aug. 2 even if they have been paid for. This is so that holders of shares accepting the offer will remain holders of record until after declaration of the quarterly dividend of CanCar, expected to be paid Aug. 22 to shareholders of record Aug. 1.

The CanCar Setup

Canadian Car is the largest enterprise of its kind in Canada, manufacturing a widely diversified list of products including railway passenger and freight rolling stock and equipment, electric street cars, electric trackless trolley coaches, gasoline and diesel powered buses, mining cars and equipment, mild and alloy steel castings, machine shop products, military field housing units, aircraft including modification and overhaul of a wide range of types, instrument and accessory repair and maintenance. The company's products are known and used in 26 countries.

Canadian Car operates through four main divisions, including the Fort William aircraft division which has been engaged in the production of T34 trainer planes and is preparing for production of main components for S2F Grumman attack and search planes. The company also holds world sales rights—except in the U. S.—for Harvard trainers.

The other main company divisions are: steel foundry division at Longue Point plant, Montreal, which includes production of steel castings and components; car division at the Turcot and Dominion plants in Montreal, producing railway rolling stock and components; and bus division at Fort William manufacturing various models of buses and trackless trolley coaches.

The annual report shows total assets $37,547,408 as at Sept. 30, 1954. Working capital amounted to $13,513,970. Net profit increased to $3,044,364 from $2,219,247 the previous year. Earnings per share in 1953-54 were $8.22 on the class A stock and $7.14 on the ordinary compared with $5.55 and $4.97 respectively in the previous year.

Avro is engaged in production of CF-100 jet aircraft and has a development contract for the C-105, an advanced jet. It has three main plants and 16,000 employees. The company is a subsidiary of the Hawker Siddeley Group of Britain and operates through three main operating concerns—Avro Aircraft Ltd., Orenda Engines Ltd., and Canadian Steel Improvements Ltd.

Canada, U.S. Get Together On Canal Tolls

OTTAWA (Staff)—Canada and the U. S. will meet this week for the first time to discuss the question of tolls along the St. Lawrence Seaway.

Members of Canada's St. Lawrence Seaway Authority will meet officials of the U. S. Seaway Development Corp. and the recently formed American Seaway Tolls Committee in Montreal at midweek.

It's understood that main topic of discussion will be the setting of a rate base for tolls on the new waterway. Further talks will be held in Ottawa, later in June.

The members of the American Toll Committee are E. Reece Harrill, Dr. Charles A. Taff and H. M. Hochfield. The Canadian Toll Committee consists of Charles Gavsie, Jean-C. Lessard and George A. Scott.

Pine Point Rail Link Gets Study

OTTAWA (Staff)—The Federal Government is studying the possibility of financing a $50 million railroad to connect Pine Point in the Northwest Territories with Grimshaw, Alta.

The 400-mile rail link would allow exploitation of the Pine Point lead-zinc ore deposit of Consolidated Mining & Smelting, estimated at over 60 million tons. The line would be built as a spur to Northern Alberta railway, operated jointly by CNR and CPR, which now runs as far as Grimshaw, in Alberta's Peace River district.

Government financing is thought to be necessary, as potential traffic would not be enough to make operations economical for some time. No definite plans to go ahead have yet been made, but relevant legislation may be introduced at Parliament's next session.

A. B. JOHNSON

has been appointed general manager, Ronson Art Metal Works (Canada) Ltd.

A. F. W. Plumptre Gets Finance Post

OTTAWA (Staff) — A. F. W. Plumptre has been named an Assistant Deputy Minister of Finance.

Mr. Plumptre joined the Department last April, as director of the International Economic Relations Division. He will continue this job under his new title.

A native of Montreal, he graduated from the University of Toronto and King's College, Cambridge, later joining the faculty of the University of Toronto.

From 1942—1945 he was Financial Attache, Canadian Legation in Washington and later secretary of the Wartime Prices and Trade Board.

After two years as associate editor of Saturday Night he joined the Department of External Affairs. He was serving with the North Atlantic Council in Paris when he transferred to the Department of Finance.

Top Businessmen Will Lead Canada's Industrial Council

MONTREAL (Staff)—Fourteen of Canada's top businessmen have been named members of the newly formed Canadian Council of the National Industrial Conference Board. Gordon R. Ball, Bank of Montreal president, has been elected chairman.

The move follows last December's organization of a Conference Board office with Monteith Douglas as director.

The new council will meet three or four times a year. Its job will be to advise on studies appropriate to Canada.

The National Board, with more than 3,400 "subscribing associates" today, was formed nearly 40 years ago. Its headquarters staff of 185 at New York carries on research in business economics, personnel, business practices, statistics and special studies.

As of March 1, some 89 Canadian organizations were subscribing associates to the National Industrial Conference Board. This included some trade associations, government bodies and universities.

Other Canadian members of the new Canadian Council are: D. W. Ambridge, L. J. Belnap, P. A. Chester, J. A. Fuller, A. E. Grauer, H. A. Mackenzie, W. N. McLeod, H. R. Milner, R. H. Reid, H. H. Rogge, L. B. Unwin, H. G. Welsford, and J. R. White.

Cape Breton Coal Gets Life In Export Subsidy

OTTAWA (Staff) — The Canadian Government is about to launch a plan of export subsidies to bolster the economic health of Canada's ailing East Coast coal industry.

For the first time in Canadian economic history, Cape Breton coal is to move overseas under a government transportation subvention. Colliers will begin loading the first part of a 100,000 ton order at Sydney within the next two weeks, for delivery to the U. K. coal board.

The initial "slack" (fine) coal order, sold by Dominion Coal Co., a subsidiary of Dominion Steel & Coal Corp., will move under a government subsidy of $2.50 per ton.

Sales price is understood to be around $14 a ton. Subvention payments on Maritime coal moving into Central Canada average about $4 a ton. The government is thus able to help exports without adding extra charges to the subventions bill.

The Financial Post understands that other coal export sales will follow soon. It is known that Dosco has been negotiating with West Germany, Holland and several other West European countries. Dosco shipped 100,000 tons of screen coal to Britain earlier this year, but no subventions were needed to make the low grade coal competitive. Because of its high sulphur content, this quality has a limited overseas market. The subsidized fine coal shipments have been guaranteed by Dosco not to average more than 2½% sulphur content.

Need For Markets

The trans-Atlantic subventions are still an experiment, but if the East Coast coal can meet the non-sulphur requirements, the new policy could go a long way to relieve the squeeze felt by the coal industry in its shrinking domestic market.

Sales have been lagging so badly that Dominion Coal last week closed eight of its major collieries employing 8,000 men, for a week. Number 1B, one of the largest pits is being shut permanently, as the company sees no hope of operating it economically any longer. The pit employs 725 miners. The company has estimated that it produced 400,000 tons of unsaleable coal in 1954.

The United Mine Workers 25th annual convention meeting in Truro, N.S., this week, has gone on record stating that shrinking markets have landed the industry in its worst plight in history.

Dominion Coal last year showed a loss of $413,928. In his annual meeting speech, President E. A. Forsyth stated: "The cold fact is that, at present costs, coal is not and definitely cannot be competitive in cost with other fuels and other sources of energy, which have made devastating inroads upon its markets."

The U. S. has sold about three million tons of coal to the U. K. under a complicated mutual aid scheme. It involves U. S. coal shipments to Britain, from the proceeds of which, U. K. machinery is shipped to such mutual aid countries as Italy. As Canada's mutual aid program takes a different form, this kind of plan is not thought to be applicable here.

Because of its high sulphur content, East Coast coal is not suitable for most continental smelting operations. It is hoped, however, to develop its use in European coal-burning power plants. Data is now being gathered to demonstrate this application. The successful operation of the coal-burning power generating units of Nova Scotia Light & Power, the Nova Scotia Power Commission and Seabord Power Corp., a Dosco subsidiary, are being used as an example.

A particular difficulty with coal shipments to the U. K. is that because of the traditional role as a coal exporter, few U. K. ports have proper coal unloading facilities.

Some of the exported Canadian coal will have to be transshipped at Rotterdam to smaller coastal colliers, thus adding further to its expense.

Dosco's Problem

Dosco's problem is now to decrease the costs of mining coal by increasing efficiency, without raising output. President Forsyth has stated that the original, partly government-financed pit mechanization scheme conceived in 1950, was predicated on an optimum production of 7½ million tons a year.

He claims current sales outlook is for not more than five million annual tons.

In 1946, Dosco's cost per ton of coal mined was $7.59 (including $5.02 for labor); last year, it cost $10.41 a ton ($6.01 of it for labor).

Canada's coal reserves now total over 49 billion tons. Some 22,000 Canadians earn $50 millions a year from the industry. C. L. O'Brian, assistant to the chairman of the Dominion Coal board, predicts there will be an annual coal consumption decline over the next four or five years from the present level of 35.6 million tons to about 32 million tons.

An interesting development in the industry, which could have applications to Canada's East Coast, is the coal pipeline being built by Pittsburgh Consolidated Coal Co. to get around high railroad freights in the Great Lakes area.

This $10 million line will run for 108 miles between the pits at Georgetown, Ohio, and a power-generating plant near Cleveland to carry 1.2 million tons of "slurry" coal impregnated with water a year. Saving is estimated at $1 per ton.

Que. Securities Comm. Makes First Crackdown

MONTREAL (Staff) — Quebec Securities Commission, formed earlier this year as part of a government crackdown on stockateers, has issued its first order canceling the license of a brokerage firm.

The firm is Dumais, Lacombe & Co., 211 Craig St. West, Montreal, and its license has been canceled for "offenses under the Quebec Securities Act," said the three-man commission. "Therefore that company is no longer authorized to trade in securities." It did not elaborate.

The Commission took office in May, armed with new, stiffer legislation. Up till now, Quebec securities officials did not publicly announce the names of firms whose licenses have been canceled.

Enter MFN Pact With Ethiopia

OTTAWA (Staff) — Canada has concluded a trade agreement with Ethiopia, which provides for the exchange of "Most-Favored-Nation" treatment with regard to customs duties, and all trade regulations.

Ethiopian products coming into Canada, formerly subject to the General rates of the Canadian Tariff will now be accorded Canada's "Most-Favored-Nation" rates of duty. Ethiopian coffee, for example, will now come into Canada with a 2c lb. duty, instead of the former 5c lb. In 1954, Ethiopian goods worth $98,000 entered Canada.

Leading Canadian export items to Ethiopia include tires, tubes, rubber products, and aircraft parts. In 1954, Canadian exports to Ethiopia amounted to $118,000.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Manufacturing

P. L. ROBERTSON MANUFACTURING CO., Milton West, Ont., 1954 net profit dropped 26.3% to $474,243 from $643,761 in 1953.

Sales early in the year were quite active but declined later, G. W. MacKenzie, president, states. Total sales value was below 1953 after a price reduction in a major line.

The company invested $342,242 in new machinery which is being used to improve manufacturing processes and to extend operations into heavier screw and bolt products. Mr. MacKenzie anticipates reinvestment in machinery in 1955 of an amount equal to depreciation reserves.

Sales so far this year are up from a year ago.

INCOME ACCOUNT		
Years Ended Dec. 31:	1954	1953
Net oper. profit	$1,093,889	$1,401,963
Less: Deprec.	188,561	158,687
Income taxes	431,085	599,315
Net profit	474,243	643,761
Less: Pref. divds.	202,404	148,115
Common divds.	52,268	78,402
Surplus for year	219,571	417,244
Earnings per Share and Dividend Record:		
5% Pref.	$52.38	$70.90
Paid	2.00	2.00
6% Pref.	14.92	20.06
Paid	1.20	0.60
$1 Part. Pref.	3.21	4.55
Pd. or pay.	1.00+0.13	0.30+0.26
Com.: Earned*	2.21	4.05
Earned‡	2.08	3.79
Paid	0.40	0.10+*stk.

*See Capitalization of Surplus, above. ‡Before (&after) participation of $1 pref.

CONDENSED BALANCE SHEET		
As at Dec. 31:	1954	1953
Cash	$171,175	$334,397
Accts. rec.	505,171	582,959
Investments	165,718	301,970
Inventories	1,119,878	818,031
Total curr. assets	1,961,942	2,057,347
Misc. assets	158,869	148,834
Fixed assets	2,866,173	2,488,962
Total assets	4,886,984	4,593,143
Accts. & tax. pay.	446,040	561,124
Divds. pay.	76,405	93,434
Total curr. liab.	522,445	654,558
Deprec. reserve	1,512,689	1,324,736
Other reserves	10,000	20,000
Capital stock	1,243,400	1,243,800
Tax paid surplus	1,543	1,543
Earned surplus	1,596,907	1,346,504
Working capital	1,439,497	1,402,789

†Incl. in curr. assets in co's report.

T. G. BRIGHT AND CO., Niagara Falls, Ont., consolidated net profit rose 7.7% to $261,647 in the year ended March 31, 1955 from $242,840 in the previous year.

Gallonage sales improved substantially with the higher sales and profits largely due to demand for new wines introduced in the past 14 years, E. A. Thomas, president, says.

Sales of table and sparkling wines exceeded 860,000 bottles—highest in the company's history and up 40%. Total release of Manor St. Davids red table wine was sold before additional quantities could be made available from ageing cellars. Cresta Roja, introduced within the past few months, has had a remarkable acceptance. It is doubtful whether the company can supply demand for some time, Mr. Thomas says. Supply of President Muscatel was sold in a few weeks after being offered.

A semi-sparkling wine has been placed on the Quebec market. The company is conducting 15 experiments in vine culture and is testing more than 100 new varieties of vines.

Additions to property, plant and equipment totaled $212,594, including additions to the champagne cellar.

CONS. INCOME ACCOUNT		
Years Ended Mar. 31:	1955	1954
Net sales	$3,695,018	$3,392,179
Net earnings	838,035	705,529
Less: Depreciation	153,622	138,902
Amort. licenses	100,566	43,963
Income taxes	322,200	279,824
Net profit	261,647	242,840
Less: Pref. divds.	115,000	115,000
Surplus for year	146,647	127,840
Earnings per Share and Dividend Record:		
Preferred	$2.62	$2.43
Paid	1.15	1.15
Common	1.47	1.28
None paid.		

CONDENSED CONS. BALANCE SHEET		
As at Mar. 31:	1955	1954
Cash	$24,377	$19,987
Accts. rec.	446,345	367,639
Mtge. rec.		40,000
Inventories	2,275,720	2,157,555
Total curr. assets	2,746,442	2,585,181
Misc. assets	393,354	486,063
Fixed assets*	1,330,196	1,271,226
Total assets	4,469,994	4,342,470
Bank loans	405,157	517,380
Accts. & tax pay.	439,513	346,405
Total curr. liab.	844,670	863,793
Capital stock	2,800,000	2,800,000
Surplus	825,324	678,677
*After depr. of	1,471,365	1,377,460
Working capital	1,901,772	1,721,388

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U.S. Grants Minor Tariff Reductions

OTTAWA (Staff) — U. S. tariff concessions, granted to Canada to compensate for duty increases on fish sticks, will mean a saving of little more than $50,000 a year for Canadian exporters.

The slim reduction, granted last week, lowers the duty on pickled and salted herring to ¼c from ½c lb. Tariff on crab meat will remain at 15%. In 1954, Canada exported $1.3 millions worth of pickled and salted herring and $50 millions worth of fresh crab meat.

The U. S. also granted some reciprocal tariff cuts to Japan, Holland and Belgium-Luxemburg.

Free Insurance Is Sales Bonus To TV Dealers

A bonus in the form of free life insurance for its dealers was announced this week by Motorola Canada Ltd. For every three TV sets purchased by the dealer between June 15 and Aug. 31, Motorola will provide $1,000 of life insurance up to a maximum of $10,000 for any one person.

The sales manager of each dealer will receive the first $10,000 insurance. When more than 30 sets are purchased by the dealer, the salesman who sells the most Motorola sets during the period becomes eligible. When more than 60 sets are bought, the second leading salesman becomes eligible.

The insurance is being written by New York Life Insurance Co., and will remain in effect until Aug. 31, 1956. If the insured leaves his employment, insurance expires 31 days later. No medical examination is required.

CITY OF LONDON

TENDER FOR DEBENTURES

Sealed tenders addressed to The Treasurer, Corporation of the City of London, Ontario, marked: "Tender For Debentures" will be received up to four o'clock P.M. Monday, June 27, 1955, for the purchase of —

$523,200.00—3¼% Serial Instalment Debentures dated December 31, 1953, maturing December 31, 1955 to December 31, 1973, issued under By-law No. D-131-238, to defray the cost of constructing sundry works.

$200,000.00—3¼% Serial Instalment Debentures dated December 31, 1953, maturing December 31, 1955 to December 31, 1973, issued under By-law No. D-132-239, for Board of Education Construction.

$280,000.00—3¼% Serial Instalment Debentures dated December 31, 1954, maturing December 31, 1955 to December 31, 1974, issued under By-law No. D-133-242, to defray the cost of constructing a new bridge.

The debentures will have the Validation Certificate of the Ontario Municipal Board.

A certified cheque for $25,000.00, payable to The Treasurer, Corporation of the City of London, Ontario, must accompany each tender.

Tenders to show an over all price, also to show a break down in price for each By-law.

The right is reserved to reject any or all tenders.

Further particulars may be obtained from the City Treasurer, London, Ontario.

HARRY SING,
City Treasurer.

Treasury Department,
City Hall, London, Ontario,
June 14, 1955.

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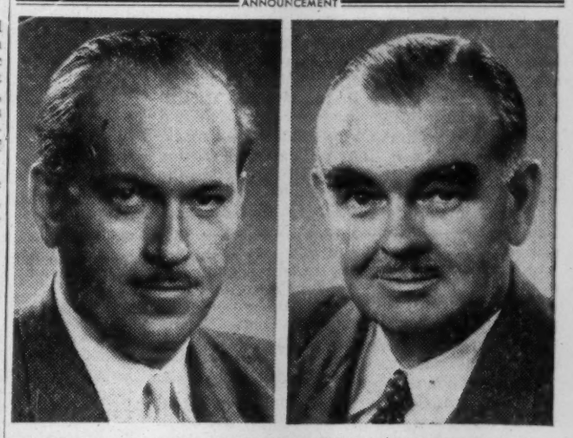
ANNOUNCEMENT



JOHN W. ROSS, B.A.Sc., P.ENG. ROBERT J. ANDERSON, B.A.Sc., P.ENG.

Robert J. Anderson has been appointed Chief Engineer and John W. Ross, Manager, Engineering Service of Linde Air Products Company (formerly Dominion Oxygen Company), Division of Union Carbide Canada Limited, it has been announced by David S. Lloyd, President. Mr. Anderson was formerly Manager, Engineering Service and is succeeded by Mr. Ross.

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MONTREAL

Only a Negative Force

Whatever else last week's elections results may have demonstrated, they certainly signal the total eclipse of the CCF as a political force in Ontario. Supporters of that party can and did prevent other opposition candidates from being elected. But they couldn't elect a corporal's guard of their own.

To work well, our parliamentary system requires a reasonable balance of representation of the major political parties. The party in power must have a sound majority, but equally important, there must be a strong opposition, as well. Instead of this in Ontario, thanks to the CCF, Mr. Frost has been given far more strength than he needs or can well use, and the opposition not nearly enough. This is not a healthy situation politically, and in less capable hands than those of Mr. Frost, it could be dangerous.

Out of a total of 98 seats the Conservatives will have well over 80, the Liberals 10 and the CCF three. There would be little hope for an opposition as small as that playing its necessary role. There is none at all when it is split between two parties.

For the weakness of the opposition, the CCF is almost entirely to blame. In almost a score of semi-rural ridings it entered candidates that didn't have a ghost of a chance of winning themselves but who did split the opposition vote sufficiently to permit a minority government candidate to win.

What the CCF can hope to gain from this dog-in-the-manger attitude is hard to imagine. Not only has it been slipping steadily in percentage of popular vote, down from 27 in 1948 to 17 in 1955, but more significantly it has dropped in total vote, too. In the 1948 election in Ontario almost half a million votes went to CCF candidates. In 1951 the total was less than 350,000 and last week it was down to well under 300,000. That would surely be damning enough evidence at any time. But this decline has taken place at a period when the total population of the province was forging ahead, and particularly in urban and industrial areas where the CCF is supposed to have a hold.

Railway into Arctic?

It's an old saying that you gain confidence by doing. Having built our first major railway in over a quarter of a century, to bring Labrador iron out to the St. Lawrence, there is now talk of pushing a railway into our big northland — the Northwest Territories.

The immediate aim would be to exploit the lead-zinc discovery at Pine Point, on the south shore of Great Slave Lake, said to be one of the richest ore bodies in the world. Though this has been discovered by Consolidated Smelters, a subsidiary of the CPR, there appears to be no question of that railway undertaking this venture on its own. The economics of the Hudson's Bay line argue strongly against that.

The Minister for Northern Development, Jean Lesage, has hinted that the Government is considering building the line itself. Reluctant though it may well be to add $50 millions to its current deficit to provide construction funds or to contemplate the likely operating losses, the Government is nevertheless bound to treat this as a major proposal for the development of the country.

This is our last geographical frontier.

There are enough indications of mineral wealth up there to justify the belief that much more will be discovered. It happens that Pine Point lies on the main route down the Mackenzie; the projected railway would lead almost due north from the town of Peace River to the mouth of Slave River, a distance of some 400 miles. The Government quite properly feels some political necessity to show the world that Canada is able and willing to develop the vast territories she holds. Some day, if not now, this railway will be built.

Wants Canadian Industry

That's what the headline said: "Canadian Firms Urged to Locate on N. Y. Shore." Here we are, fussing about the number of U. S.-owned subsidiaries in Canada, and the possibility of increasing American immigration to this country, when opportunity beckons us, from south of the border.

"New York State frankly is looking for new industry," says its Commerce Commissioner Edward T. Dickinson. "There is no reason why the natural expansion of Canadian firms should be halted at the international border." Now, where have we been that it didn't occur to us that our natural field of expansion lay in the mighty industrialized United States? Of course we knew, (and marvelled) that Massey-Harris had managed to do it, and Laura Secord, Loblaws and Weston's, Moore Corporation, and the Canadian distillers, to mention only some.

But the Commissioner says nine new firms have moved to the right side of the St. Lawrence lately, and more are considering it. Look out! Wall Street, here we come!

Car Buyer Puzzled

Good as cars are now, there are some things about them that justify customer squawks.

Big changes and improvements are being promised for new cars soon. Fuel injectors will replace carburetors, push buttons will do away with gear selector levers and 13-inch wheels will outmode the present 15-inch rims, and so on.

That is fine. But surely there are a couple of places where attention is even more urgently needed.

In most respects the average buyer will agree with the makers that the modern automobile is a mechanical miracle, safe, smooth and comfortable. What puzzles him, however, is that the industry that has given him all this, seems unable to provide batteries and mufflers that will really last. Surely the life of these important items could be more closely linked with the life of the vehicle.

Guaranteed Inflation

With the dark threat of industrial warfare dispelled by the Ford and GM settlements, Trade and Commerce Minister Howe and U. S. Secretary of Commerce Weeks have hastened to predict that Canada and the U. S. will now go on to the best year of business in their history.

That may well be, for in general world conditions appear most favorable. Expansion is the cry of the day, in developed as in under-developed lands. World trade stands at nearly 50% above the best prewar year, 1937; and commodity prices remain firm.

But when Mr. Weeks goes on to say that he can't see any serious inflationary threats in the background and he is sure that we can hold the dollar at its present level, we part company with him. Whatever one thinks of the guaranteed annual wage, it must surely be clear that it virtually guarantees inflation. The automobile companies need not raise their prices immediately. The Big Two are in blooming health and have been doing a land office business: it is possible that, as the UAW always insists, they can pay this substantial wage increase without raising car prices — for the present.

However, as the guaranteed wage demand is pressed on their suppliers, as it is almost sure to be pressed this year on the steel-makers and next year on the glass industry, the electrical industry, the rubber industry and the rest, higher prices are bound to be passed on

Over the years, constantly higher wages have made constantly bigger consumers out of the workers. It is no novelty any longer to note the late-model cars and TV aerials in modest streets — just as more leisure is freeing them for hobbies, until the "do-it-yourself" slogan has spawned a new major industry.

We are headed into more automation and more production, which, whatever else it is, will be beyond doubt an era of some more inflation.

For Better Living

The president of the Canadian Association of Consumers told the Federation of Ad and Sales Clubs at Kitchener last week that advertising and promotion is being used to create public demand, rather than to guide consumer buying. This, apparently, is a bad thing.

"Once production was the hand-maid and answer to demand," Mme. Vautelet said, "but today, the purpose of promotion and advertising is to make consumer demand serve and answer the needs of production."

This is an old charge and not altogether a fair one, since it calls up a picture of business knocking itself out to create a demand for gold-plated back-scratchers, or other gimcracks of no conceivable use to anyone.

In point of fact, modern sales promotion has a much better record than that. It has created a demand for tooth-paste and soap and paint, and power-saws, and easy-to-wash clothes, and meat and dairy products. It has created a demand for cleaner, healthier living conditions. Without the gentle prodding of the advertiser, it's doubtful, for example, if inland Canadians would be eating sea-food (as they are now).

Like any other process, this one has its drawbacks and excesses. It would probably be better if children were exhorted to eat more fruit and eggs. But the advertising fraternity has much to be proud of.

As for demand for the foolish, impractical, or worthless, those are not things created by the advertiser. They are a part of human nature that is revealed by every ancestral grave opened by an archaeologist.

Our Flexible Banking System

A little over a year ago when the Federal banking legislation was changed to permit and encourage chartered banks to get into the housing mortgage field, the move was not greeted with any general burst of enthusiasm in some banking circles. In fact, there was a good deal of moaning.

But how well the banks have accepted the new role is indicated by retiring President T. H. Atkinson at the annual meeting of the Canadian Bankers' Association...

Up to April 30 this year, reported Mr. Atkinson, the banks have committed more than $210 millions in housing loans or sufficient to build more than 23,000 homes. Of the total number of housing units approved under the National Housing Act, 40% are being financed by the chartered banks.

That is a creditable performance indeed, good for the country and good business for the chartered banks. And it certainly bears out the contention of President Atkinson when he stated that, "Canada has one of the most flexible banking systems in the world, adaptable to change and tempered to meet new conditions and situations."

Change Before You Go

"If you are going abroad this summer, change at least some of your money into foreign currency before you start." That is the advice of a U. S. banking official to American citizens planning a trip overseas. And it is sound advice for Canadians too.

Hotel clerks, taxi drivers and storekeepers in this country would not think of accepting pounds or marks or francs or would only do so at a heavy discount. And hotel clerks, taxi drivers and storekeepers in foreign countries feel exactly the same way when offered Canadian dollars.

The solution is simple. Get your foreign exchange ahead of time from a reputable source, which will also be able to supply accurate information on restrictions, if any, governing the amount of currency you can take into any country visited. During the unsettled period following the end of the last war it may have been possible to pick up bargains on the black markets. That sort of dealing is extremely risky now.

For any tour, get at least a little preliminary money (for taxis, tips, minor purchases) before you go. You will find it very worthwhile and saving in a lot of bother and fuss.

In His Own Trap

The late Macbeth once reflected that his wife's plans for killing the king were but "Bloody instructions, which, being taught, return to plague the 'inventor'. This even-handed justice," he went on, "commends the contents of our poison'd chalice to our own lips."

The truth of these sentiments was demonstrated by Sir Robert Watson-Watt during an interview in Chicago last week. Sir Robert was asked on a radio program if he thought radar would prove effective in motor traffic control. "Yes," replied the inventor of radar, presumably with a reminiscent wince; "yes, very." He had himself been caught in a Canadian radar speed trap, and fined $12.50.

Napier Moore's ScratchPad

A SHREWSBURY inquest decided that a baby who was discharged from hospital two days after birth was sent out too soon. It died a few days after mother and child were put out at 9 p.m. in what a doctor described as "Snow, sleet, storm and tempest, and it was bitterly cold." The jury rider stated that the standing order operative in the obstetric ward at Royal Salop Infirmary regarding discharge of mothers and such young babies be made more elastic.

We had a chat with an English working man about the British Health Service. His wife is suffering from a leg so badly ulcerated that last October amputation was recommended. Other medical advisers said that with proper hospital care the limb might be saved. In November application was made for a hospital bed. Up to June 6 no bed had been obtained.

* * *

WE TALKED with a hardworking country-town doctor about the Health Service. He said a woman patient of his was desperately in need of an operation requiring great skill. In November he approached a surgeon friend of his, a specialist in such operations, who, as a personal favor, promised to do the job as soon as a hospital bed could be found. After seven months, a bed was found, but up to now the surgeon hasn't fulfilled his promise. The doctor tackled him the other day. The surgeon said, "Look, I've spent the whole morning fitting 10 fat women for special free corsets. I spend hours every day fitting fat women with free corsets. I have to do it under the Health Scheme regulations. I'm away behind on operations." The doctor asked how long he thought it would be before he could do the job he had promised to do. The surgeon said, "At this rate, two years from now."

The G.P. also told us that if he places a patient in a hospital supported by State grants he has no status whatever in that hospital. He can see his patient only as a visitor. He is not allowed to look at charts or records, or to prescribe. Operations, unless they are serious, are performed by young surgeons acquiring experience. If they are serious, they are performed by the surgical "registrar," who is generally a F.R.C.S.

The doctor took a dim view of the Health Service. He said that if he hadn't sold his practice to the Socialist Government when the scheme was instituted it would have been confiscated with a loss to him of £4,000. He now has 3,500 patients on his panel. He is "inspected" regularly. Checks are made on how long patients have to wait. In his surgery he must have a chair for every 200 patients. There must be disrobing and toilet facilities. He works from early morning until late at night.

If he retires at 60, his pension will be £260 a year. If he waits till he is 65, it will be £308.

We asked him why the Conservative Government hadn't improved the scheme. He said, "It was conceived by the Liberals and brought into being by the Labor Government. Politically, the Conservatives haven't dared to tamper with this form of so-called free security. It isn't free, and it isn't security."

* * *

WE ARE A VICTIM of the British railway strike.

We came to England to spend a month or two in a country cottage Mrs. We has owned for a long time, and which has been rented for several years. It needed repairing and painting, and a most reputable London firm contracted to have it all ready for our arrival.

We arrived to find the house still occupied by painters, carpenters and electricians. They have been stymied by the strike. Each day they spend hours getting to work over traffic-jammed roads. Some of them get up at five o'clock in the morning to get here. They are quite cheerful about it, and after brewing themselves a pot of tea they get down to work.

Moreover, we came to a house from which the tenants apparently had departed with every plate, cup, saucer, glass, knife, fork, spoon and kitchen utensil. The entire lighting system had also been disrupted. Each morning so far we have been awakened at five a.m. by a bird. It says "Cuckoo." And it isn't far wrong.

* * *

ACROSS THE LANE from which a long, narrow driveway tunnels through trees to the cottage, there is an RAF camp. During the war it was the location of Fighter Command. Here was the map room in which, on the crucial day of the Battle of Britain, Churchill stood and ordered that every reserve be thrown into the fray. He was told that there were no more reserves; no more fighter planes. That was the day a gallant, weary band shot down 185 enemy planes and stemmed the tide. And it was during the drive from that map room back to London that Churchill said to his Chief of Staff, "Pug" Ismay, "Never in the history of human conflict has so much been owed by so many to so few."

Stop Me If . . .

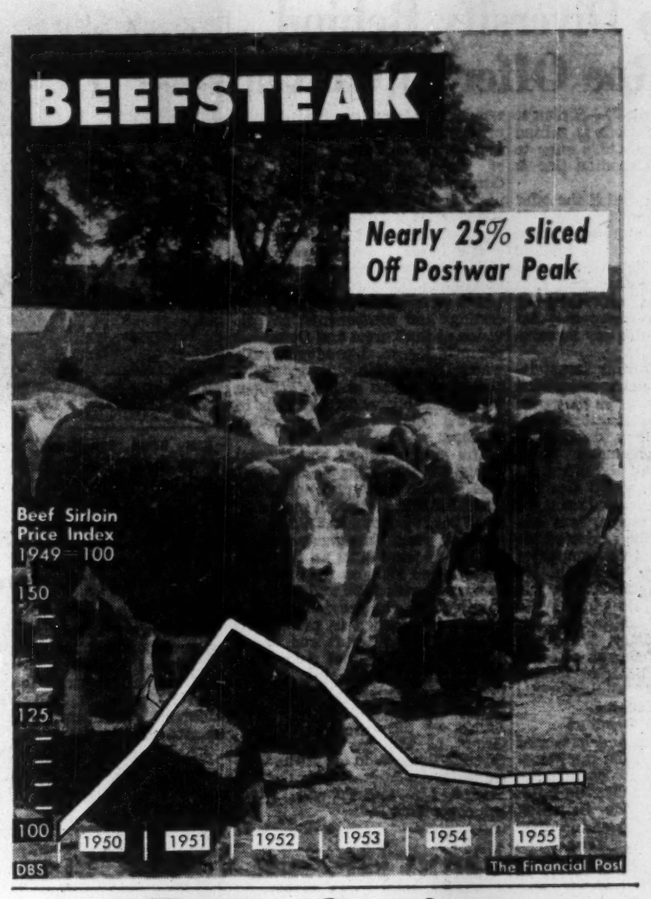
He: "I find your new gown rather confusing."
She: "How so?"
He: "Are you outside trying to get in, or inside trying to get out?"

* * *

Teacher: "How many senses did nature give us?"
Student: "Seven."
Teacher: "Name them."
Student: "Touch, sight, taste, smelling, hearing, horse and common."

* * *

The Old Maid took the witness stand. As the bailiff was about to administer the oath, the gallant judge intervened.
"Let the witness state her age first and then you can swear her."



Post Scripts

Ardent Canadian

The largest specialty steel mill in the United Kingdom, Atlas Steels of Welland, Ontario, recently elected an executive vice-president, H. George De Young. Since his graduation in 1931 from the United States Naval Academy at Annapolis, Md., De Young has lived with the fast-expanding steel industry and from experience knows his way around an industry which now talks in terms of jet steel and countless new product developments.

MR. DE YOUNG

In Canada since 1951, De Young is already an ardent Canadian. In the community life of the booming Welland district he is playing an active part. He was general chairman of the Salvation Army Campaign, just concluded, and takes a hand in other social, cultural, and business events of the Welland Ship Canal region.

Of Dutch parentage, George De Young is quiet, affable and in his mid-forties. He was born in Grand Haven, Mich., and after two terms at Michigan State University received an appointment to the Naval Academy in 1927. Graduated in 1931 with the degree of Bachelor of Science, he resigned his naval commission to enter a private business career with the Midvale Company, a Philadelphia, Pa. firm of tool steel and special alloy manufacturers.

In a sense that was just the beginning of a public service career for De Young. For in a series of positions at Midvale he was engaged in prewar preparation for the United States Navy and subsequently Allied Nations. Starting as supervisor of hammers, De Young was assistant superintendent of the department making armor for naval vessels and afterward, superintendent of the shell department making armor-piercing projectiles. In this latter defense department project he built a department that started with 17 employees and reached a peak of 3,500.

For his contribution in research and development, the new Atlas Steel official received a Naval Ordinance Award from the United States Government.

In 1947 De Young was appointed works engineer at Midvale, and two years later he resigned to join Treadwell Engineering Co., Easton, Pa., where he was assistant to the president.

De Young joined Atlas in 1951 as works manager. About a year later he was named vice-president of operations and in March a year ago was appointed to the board of directors. With mills spread over 75 acres at Welland in the heart of the industrial Niagara district, Atlas employs in its manufacturing, sales and service operations more than 1,600 and produces a wide range of specialty steels which are shipped to 58 countries throughout the world.

De Young is a member of the Iron and Steel Institute, American Society of Metals, Iron and Steel Engineers and other allied organizations.

One son attends Cornell University and a younger son resides with De Young and his wife at nearby Fonthill. For fun and relaxation, the De Youngs participate in week-end dog trials around the country with their retrievers.

* * *

IDA's New President

This week, at Murray Bay, Que., the Investment Dealers' Association of Canada elected a new president. He is John Robertson Hughes, 57-year-old vice-president and treasurer of Royal Securities Corp.

Hughes has been in the investment business since college. Tall, medium-built, with grey hair and an easy, relaxed manner, he was born in North Bay, Ont., the son of a railroader.

His father came from Prince Edward Island and was one of the early railway officials in Northern Ontario after the CPR built its line west. Like most railroaders, Hughes senior was moved around a lot, and his son picked up his early education in North Bay, White River and Smiths Falls.

It was 1922 when Hughes graduated from McGill as a Bachelor of Commerce, and he moved downtown to the Montreal financial district and Royal Securities immediately afterward. He has always been in the internal management end of the business, and was made treasurer in 1946, vice-president in 1954. Today, he occupies a comfortable, green-paneled office on the first floor of Royal's old St. James St. building.

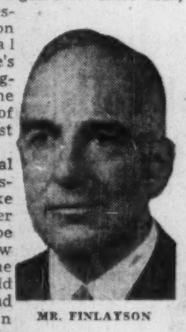
Hughes' previous activities with the IDA included a period of several years on the Quebec District Committee. What with visiting branches across Canada, traveling to Ottawa, guiding day-to-day business, etc., he figures the job as national president will absorb about 40% of his time. Being vice-president of Royal, Hughes is also president of Aeromagnetic Surveys Ltd., and a director of several other firms, including Hunting Associates Ltd., Maritime Electric Co. and Monterey Railway, Light & Power Co.

He lives in Westmount, and for relaxation likes to fish at a club in the Laurentians in the summer, curl in the winter. He is not a golfer. Hughes is a well-established grandfather. He has two daughters, one of them married with three children.

* * *

New Chief for Old Board

It's a long way from a three-masted barkentine to radios and TV sets. But things have changed a lot since 1822, and the old vessel shown on the Montreal Board of Trade's emblem no longer points up the main business of Canada's biggest city.


MR. FINLAYSON

So it's natural for an industrialist like Stuart Milner Finlayson to be named new president of the 133 - year - old board. He's head of Canadian Marconi Co., in the fast-growing electronics field.

Finlayson, 53, takes over at a time when civic affairs are absorbing more and more of the board's attention. Montreal has problems, many of them expansion pains, and there's a need for more planning for future growth.

In this the board, which now counts some 2,500 firms among its members, is lending a strong hand. One topic of vital interest these days to most Montreal businessmen, of course, is the Seaway, but there are many others: making a start on slum clearance and low-rental housing, improving traffic and mass transportation, getting a civic centre, watching taxes, etc.

"Fin" Finlayson is well versed in all of them. He's been very active in the board for years, and has just finished a term as first vice-president. Finlayson was born in Montreal and he has been with Marconi all his business life. He started in as an apprentice engineer 36 years ago. Then came a long leave of absence, 1920 to 1924, while he picked up a degree in electrical engineering from McGill.

After that, he was made a junior development and construction engineer. Then in succession factory manager, assistant to the general manager, deputy general manager, general manager, and finally, in 1951, president and general manager.

Finlayson lives in Hampstead, a residential suburb of which he is an alderman. He is also a member of the Committee of Administration of the Montreal Children's Hospital.

What Others Are Saying

Editorial of the Week

Cheapening and Insulting

Calgary Herald

To use the flag of the United States as an advertising sign, a commercial attraction on the same level as signs advertising the goods a merchant offers for sale, is plain bad manners. It is a cheap use of a great flag and Canadians who so use it are guilty of a rudeness which U. S. visitors would be quite justified in resenting.

Visitors from the United States will hardly carry back with them an impression of a great, independent nation if they see their own flag prominently displayed at every vantage point in Canada. If they do not realize Canada's position as an independent nation, and a full partner in the Commonwealth, it is our fault for not making it clear to them.

And the U. S. tourist is not naive. He will recognize immediately that Old Glory is not flown as a tribute to the U. S. but as feeble lure, intended to appeal to his patriotism only in the hope of getting him to spend his money.

It is time to end this shabby insult to U. S. visitors and Canadian nationhood.

Other People's Views

WE ARE ALL FOR SAFETY, but sometimes we wonder, muses the **St. Catharines Standard** "if those radar devices in checking speed are not for revenue rather than safety. Remember the parking meters, installed to provide parking space for shoppers, and now a big revenue producer."

A NEWSPAPER is not merely a commercial venture, points out the **St. John's Telegram.** "It is a public utility with a heavy responsibility for leadership in the field of public opinion and dissemination of accurate information. It can uplift public taste, or degrade it. It can serve the interests of freedom of thought, or allow itself to be used as an organ of propaganda."

AFTER WHAT HAS been going on in the United States the economic folly of subsidizing and dumping farm products should be apparent to all, says the **Regina Leader Post.** "Yet," it warns, "the probability is that the announcement of the final wheat price for the 1953-54 pool will set off a renewed demand for the adoption of one or both of these in Canada. Such pressure should be resolutely resisted by the federal government."

CANADIAN RAILROADS must be credited with the lion's share of building up this country, says the **Victoria Colonist.** "No other factor could have bridged the 4,200 miles from sea to sea in the same sturdy fashion. It is encouraging to see them step out, adopt a 'new look,' and set their aims on better things to come. Willingness to please is a prime element in effective service, and there is no reason to doubt but that the public will respond to such inducement in the right spirit."

WHY NOT ONE of our own Canadian heroes? asks the **Vancouver Province.** "Everywhere we turn, these days, we are confronted with evidence of a one-time Indian fighter and frontiersman known as Davy Crockett. Canadian youngsters are running around in coonskin caps 'killing' scores of Indians, and the 'Ballad of Davy Crockett' comes at us from all angles. There have been few more striking illustrations of the extent to which we, and our children, have succumbed to U. S. 'culture.' Why are we so dependent on neighboring heroes?"

THERE SHOULD BE general agreement, thinks the **Ottawa Journal,** for the prompt action of the authorities in the Plant affair. "It is never easy to demote a distinguished officer with a fine war record. But over-riding responsibility to the sound administration of the services and the Government sometimes makes this essential . . . An Air Vice-Marshal's duties do not include saying that the army should be abolished or that we should prepare to murder the Russians. It is altogether right that this has been made unmistakably clear, not only to the hapless airman but to all Canadians."

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June 13, 1955

Bruce Hutchison Writes About:

The real struggle at Ottawa

OTTAWA — According to Goldwin Smith (who made his reputation by misunderstanding Canada) an Arctic lumbering village called Bytown was transformed overnight by Queen Victoria's decree into a political cockpit called Ottawa.

According to Lord Bryce, another British expert, Ottawa became the perpetual battlefield of a comic opera war between fictitious factions calling themselves political parties, like the Guelphs and Ghibbilines of mediaeval Italy.

Smith and Bryce, as it turned out, were both right in their premises and wrong in their conclusions. Ottawa, to be sure, is a political cockpit and the struggle of Canadian parties has often been only a sham battle. But, contrary to Smith's famous prophecy, Canada has not dropped like a ripe plum into the lap of the United States and, contrary to Bryce's lofty dictum, our party politics have reflected and organized a successful nation. Ottawa, dozing on its leafy summer hill above the river, is the accurate image of that nation.

The traveler who approaches the capital up the glittering Ottawa, as Champlain approached it long ago, sees the pointed towers floating, airy and dreamlike in a sea of green—a child's vision of kingly castles and magic casements out of a picture book.

The picture is deceptive. Ottawa, the swarming tourist mecca and the handsome symbol of the Canadian state, is only the thin façade of the real Ottawa which manages the Ottawa which manages the nation and, at the moment, is in an interesting condition of pause and gestation.

* * *

News of Headlines And the Hustings Hides Real Ottawa

Parliament drones on, impatient for home at the fag end of a dull session. Dr. McCann is in trouble and no doubt will soon be in the untroubled Senate. Mr. Drew is alarmed when Mr. St. Laurent calls "God Save the Queen" a "Royal Anthem." Mr. Diefenbaker scores his cunning points of debate. Mr. Pickersgill establishes himself, by a distorted news report, as the final authority on Canadian babyhood. Mr. Harris watches his daring budgetary optimism of spring confirmed before midsummer.

All this news of the headlines and hustings gives no inkling of the curious process under way in Ottawa—a process unnatural, unwholesome and temporary.

The basic fact of contemporary government in Canada is that the struggle of democratic politics, centred formally in a Parliament of four parties, is actually centred in the private struggle of a massive Liberal majority. We have come alarmingly close to a one-party system. This situation could change rapidly and must change eventually but it certainly exists today as it never existed in Canada before.

The Government's concern is not with the Opposition, as it should be, but with its own internal affairs, above all with its future leadership.

So long as Mr. St. Laurent holds his place as the genial father image of the nation, so long as the public opinion polls indicate no crack in the great majority, the Government can

BRUCE HUTCHISON

afford to ignore an opposition tragically splintered. This does not mean, however, that the Government has no problems and feels as serene on the inside as it looks on the outside. In fact, it lives this summer, for all its power and prosperity, in fear of an earthquake.

* * *

Gas Pipeline Defeat To Speed Retirement Of C. Decatur Howe?

Everyone in Ottawa knows, to begin with, that Mr. Howe is talking of early retirement after his gas pipeline defeat, not by Parliament, but by his own colleagues and by his closest friend, the prime minister.

If Mr. Howe goes, after arranging or failing to arrange another pipeline scheme, a partnership of historic importance and large accomplishment will dissolve.

The St. Laurent-Howe alliance, a symbolic union of two races, has been the base of our politics since 1948, just as the Baldwin - Lafontaine alliance gave us responsible government, the Macdonald-Cartier alliance gave us Confederation and the alliance of King and Lapointe gave us modern Canada.

Thus Mr. Howe's retirement, in a mixture of mighty achievement and recent disappointment, would shake the all-powerful party as it has never been shaken since the passing of King.

Repairs in that case could be quickly made. The Government has several English-speaking substitutes for Mr. Howe and, in the vital region of Ontario, the commanding figures of Mr. Pearson and Mr. Harris. French Canada is quite another matter. There is no available substitute in Quebec for Mr. St. Laurent — a grave omission in the Government's political management.

Behind the serene façade, therefore, the Liberal party worries little about its majority and nothing about its Opposition but it worries increasingly about Mr. St. Laurent. Will he agree to fight the election of 1957? That and nothing else is the supreme question in Ottawa this summer.

* * *

Even Mr. St. Laurent May Not Know Answer To Current Riddle

The fleeting reporter who drops off at the capital in a general survey of the nation, will find no answer to the current riddle. I suspect, indeed, that Mr. St. Laurent himself does not know and, if he does, assuredly has told nobody. But a single hour in Ottawa will convince the traveler that momentous events hang on the prime minister's decision, and that it must be made soon.

If Mr. St. Laurent is to retire before the next election he must give his successor enough time, at least a year and preferably more, to establish himself as master of the party.

On the other hand, a man as honest as Mr. St. Laurent cannot use his greatness to carry his government through a last ceremonial campaign and then resign when that chore is done. If he remains until this time a year hence, at latest, he is trapped in the labors of office for the best part of another term (lacking a sudden revival in the Opposition) and in an onerous old age.

Hence the political problem of the regnant party and the personal problem of its lonely leader.

The political problem is, first, to find an English-speaking substitute for Mr. St. Laurent, if necessary, who can command a majority in both races and, second, to find a new lieutenant in Quebec. The first problem may be solved, presumably with some electoral losses, in the person of Mr. Pearson or Mr. Harris. The second problem of reliable new leadership in Quebec is at present insoluble.

* * *

Two-Party System Older and Bigger Than Any One Man

These things, secretly agitating the Liberal party, do not appear on the surface for two obvious reasons.

Mr. St. Laurent bestrides the political structure unchallengable in myth and fact so long as he cares to stay. The Government at Ottawa, like the governments of nearly all provinces, is secure for the present because the nation itself feels secure. In a rising prosperity, all political tensions are off, parliamentary debate such as it is makes the public yawn and the summer heat takes all the heat out of politics.

Nevertheless, this situation remains unnatural and must be temporary. In the end — the date depending both on personalities and events — an alternative government will appear and the balanced party system, long in suspense, will restore itself. That system is older, bigger and more durable than any man.

J. LOUIS LEVESQUE

has been elected director and vice-president, Dupuis Freres Ltée.

Beaver Gets Nod In New Guinea

The de Havilland Beaver continues to build its reputation in far off places.

Qantas Empire Airways recently bought four of the rugged single-engined bush planes for use on its New Guinea services. Extensive performance trials were carried out on the first two delivered in January.

Flying in the area presents severe problems. Many of the strips are cut from the jungle high up in the mountains. The rarified air and restricted space makes taking off and landing tricky.

However, now Qantas reports the Beaver can use all but three of the country's airfields carrying its full load. At two of these a load reduction of between 30 lb. and 50 lb. from the all-up weight of 5,100 lb., made operating possible.

A further result of the trials is a Qantas plan to alter their Beavers to carry seven passengers rather than the usual five.

It is interesting that in making up weight figures Qantas accepts the international figure of 170 lb. for European adults, but for natives they have settled on the average figure of 130 lb.

The trials resulted in sheets of figures and general data. But most important is that the Beaver, one of Canada's most impressive exports, has been stamped a complete success.

Pakistan Mapped From Air by P.S.C.

A four-year natural resources inventory of Pakistan, paid for by the Canadian Government as part of the Colombo Plan, is nearly finished.

The job cost $3 millions. In all Photo Survey Corp. of Toronto, who carried out the aerial part of the survey, mapped some 297,000 square miles of West Pakistan. Soils and land were checked over 130,000 sq. miles of territory and 123,000 sq. miles of wilderness is being searched for minerals by geologists still in the field.

John M. Henderson, former project manager of the inventory, is now back in Toronto. He reports that all phases of the survey will be completed next year. It is now under the control of Gray S. Willson of Toronto.

One of the more interesting results from the survey, says Mr. Henderson, is the discovery by this means of natural gas and oil deposits.

Work is now under way at Photo Survey's Toronto offices on preparing controlled mosaics at the scale of four inches to the mile of 39,000 sq. miles of territory. These will be used both for land reclamation and irrigation schemes.

Pakistan is one of the most heavily irrigated countries in the world. For this it depends heavily on aerial surveys. Now this work is about 40% finished. Large scale maps are also being made of Hyderabad and Karachi for future use in community planning. (Karachi had a population of 350,000 before the partition of India; now it has a million.)

The inventory was asked for originally by the Pakistan Government. Canada took it on as a Colombo contribution and appointed Photo Survey Corp. to do the job.

Hydro Still Has Long Start On Atomic Power Production

FREDERICTON — New Brunswick sponsors of the $50 million Beechwood hydro-electric project have the assurance of Trade Minister C. D. Howe that they need not fear atomic power competition on a cost basis in the near future. But he told them the Federal Government hopes to demonstrate within the next five years the feasibility of the economic use of atomic power for civilian purposes.

Mr. Howe attended the ceremonies of the official start of the Beechwood project, 100 miles north of here. He called Beechwood (135,000 hp output) an important factor in developing Canada's hydro resources but gave no hint that any Federal Government assistance would be forthcoming for the project.

Beechwood is the first step in a $300 million international development of six St. John River power sites in New Brunswick and Maine. Gen. A. G. L. McNaughton, chairman, Canadian Section International Joint Commission, said the Canadian Section hopes it will shortly be followed by others at Rankin Rapids, Fish River Falls and Castle Hill in Maine and at Morrill and Hawkshaw in N.B. recommended by the commission.

Construction of these sites would give a total of 742,000 hp from the St. John basin and would be of great mutual advantage to both N.B. and Maine.

The views of the Canadian Section, he said, were shared by the U.S. section headed by Len Jordan.

Aerial Seeding: Pennies From Heaven In Farmers' Pockets?

From Our Own Correspondent

WINNIPEG — Manitoba is experimenting with aerial seeding of wet land.

Depending upon its success, seeding of waterlogged fields from the air may prove an answer to heavy spring rains which frequently result in dangerously late planting. That's what happened this year; the spring deluge prevented farm machinery from getting on the land.

Wheat seeding now is complete on the prairies. But much of the crop is likely to be late, making it more susceptible to frost and rust. A few areas were forced by wet fields to forego wheat seeding.

The aerial seeding was tried by the Provincial Government last week on a farm near Winnipeg.

Persistent rains occurred over much of Manitoba this spring. Hardest hit has been the interlake area, where many farmers have been unable to seed their grainland.

In the airborne experiment, a light plane seeded about 10 acres in the wet area to rapeseed.

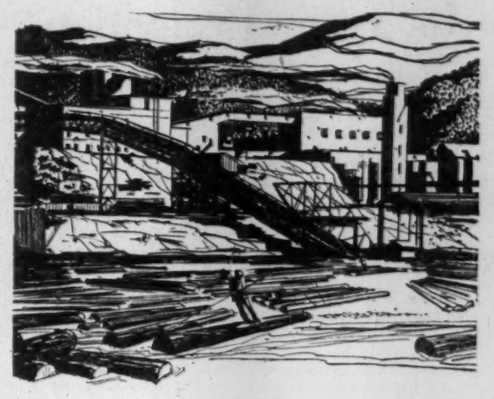
The plane was a Piper Cub equipped with a modified duster. It seeded one swath from a height of about 12 feet and another from about 35 feet.

It will be a week or two before the success of the experiment can be measured. The provincial department of agriculture ordered it in hopes that, if successful, many farmers whose land might otherwise lie idle this season would arrange for aerial seeding.

The trial seeding was done in a light wind which prevented even distribution. Tiny mounds of seed were formed which could result in an uneven field.

The sowing was done by Aerial Spray and Charter Ltd., of Winnipeg and Neepawa, Man.

It is the first time the system has been tried in Manitoba, although it has been used in the U.S.



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Pulp and paper is Canada's largest, most important industry. Total production is well over one billion dollars a year. It provides more employment than any other industry, accounts for about one quarter of total Canadian exports, and provides the raw materials for many secondary industries.

Basic to our present and future economy, the pulp and paper industry is one of the chief factors responsible for Canada's position as a leading trading nation of the world. It has a record of expansion and growth which in recent years has more than kept pace with Canada's progress.

We believe the securities of Canadian pulp and paper companies offer many opportunities for investment. There are first mortgage bonds and debentures for those whose chief need is capital security . . . preferred shares for current income . . . common shares for those who wish to participate in the industry's growth and expansion.

If you are interested in discussing the securities of this important industry, and particularly those suited to your objectives, you will be welcome in any of our offices . . . or if it is more convenient for you, a letter addressed to us will receive the same careful attention.

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How Ottawa Plans Shift In Its Trade Promotion

OTTAWA (Staff) — Decision to drop the Canadian International Trade Fair is part of the trade promotion emphasis.

The Department of Trade and Commerce does not plan pulling out of the field of trade fairs. Instead, it will spend even more than the cost of the CITF ($780,000 — in 1955) in exhibiting Canadian goods abroad.

This year, the department will participate in 15 major trade fairs, as part of the new plan to carry Canadian merchandise to the buyer in his country. This policy will be further expanded in 1956.

"In these times of intense competition, customers are not going to come to us except in very limited numbers. We must meet the potential buyer on his own home ground. The best help we can give the Canadian exporter is to see that Canadian products are displayed in the countries where we have reason to believe that new or larger markets can be developed. We have seen this change coming for some time," Trade Minister C. D. Howe said this week in a private letter to Canadian exporters.

"We are terminating the Trade Fair as a government operation solely because the fair has done very effectively the main job that it was intended to do," he insisted.

Howe pointed out that the Trade Fair was established to give foreign countries a better chance to earn the Canadian dollars to pay for their essential import needs.

"While the fair has made an outstanding contribution to the re-establishment of overseas countries in the Canadian market, and thus has indirectly aided Canadian exports, it does not appear to have fulfilled the hopes of those who believed that the fair could become a more or less permanent market place. Our experience has been that, to a large extent, overseas exhibitors use the fair to make initial contacts in Canada and then turn to other methods of trade promotion which are more natural to the Canadian environment," he claims.

"The conclusion one must draw from the experience of the past eight years is that a trade fair of the kind we have been running in Toronto is not of much value to Canadian exporters," he says.

Before the fair's closure was brought up for Cabinet approval, the Government polled the members of the CITF advisory committee. This group includes representatives of the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Canadian Importers and Traders Association, the Canadian Exporters Association, and the Canadian National Exhibition, as well as government officials.

It is understood that it was the majority opinion of this committee that the fair should not be continued under government sponsorship. One official told The Post: "The CITF belongs to Canadian business, but it now seems to have lost its backing."

As well as the annual deficit ($200,000 in 1955), any future sponsor of the CITF will be faced with the problem of having to set up an overseas sales force. Much of the promotion work for the past eight years has been done by the Government Trade Commissioners overseas. While they would help in the future, it is not likely they could wage the same intensive "door-to-door" sales campaign to bring in exhibitors.

No long-term plans for Government overseas trade fair participation have yet been formulated, but here are the major European trade fairs at which Canada will have major exhibits during 1955:

(A) Canadian consumer goods display at the Royal Netherlands Industries Fair, in Utrecht.

(B) Canadian fur and fashion display at Milan.

(C) Canadian textile display, at Brussels.

(D) Canadian chemical display at Brussels.

(F) Canadian fur and fashion display at Paris.

(G) Canadian chemical and plastics display at the British plastics exhibition, in London.

(H) Canadian fur and fashion show, in the Hotel Metropole, Brussels.

Trade & Commerce exhibits will also be featured at the Tokyo Trade Fair, and at commercial exhibitions in Bogota and the Dominican Republic. Plans are now being made for major participation in the 1958 Brussels world's fair.

Wait And See The Policy Now On Trade Fair

The future of Canada's International Trade Fair remains clouded.

There seems little real chance, now, that there will be a Fair next year. But with the exception of the Federal Government — which announced last week it was dropping the Fair—none of the possible organizers were prepared to say they had given up.

The Ontario Government and two private concerns are still in the running. Neither of the private ventures, The Post understands, is likely to be able to take it on in time for 1956. Reception among many Canadian manufacturers has been lukewarm.

Uppermost in Ontario Government thinking is the question: is the Trade Fair any longer a service to Canadians? In looking at this question, provincial leaders admit that overseas exhibitors are the big winners at The Fair as far as sales go. But in coming to the show they have seen Canada, studied its potential; many have opened plants here.

Another factor, due to be discussed, is whether a provincial government should take on the work of Ottawa. Despite Ottawa's offer to co-operate fully with anyone taking on the Trade Fair burden, the business of attracting overseas clients, handling customs matters and settling any international "tiffs," is a formidable one.

All this week, meetings were being held to discuss the problem. Heads of the Canadian Manufacturers Association decided on caution for the time being.

A CMA spokesman told The Post: "It should be apparent the Canadian Government reached the decision to discontinue its support of the ITF only after a careful appreciation of all the pertinent facts. It should be equally apparent that any move to continue The Fair under any other auspices or to initiate any alternative means of trade promotion would require the close scrutiny of all responsible, interested parties.

"The complexities of the question and the divergence of opinions are such that hasty pronouncements are not likely to prove constructive."

—Photo by Ashley & Crippen.

W. M. BRACE

has been elected president, Institute of Chartered Accountants of Ontario.

BOOKS FOR BUSINESSMEN

FIFTY YEARS OF ENGINEERING, by Charles E. Mills, Arthur G. McKee & Co., Cleveland.

This hard-cover company book dovetails the story of steel and the pageant of petroleum with the story of Arthur G. McKee & Co., one of the world's great engineering organizations.

It's a fascinating account in picture and text of the growth and importance of two of the basic facets of modern industry and of the foresight, tenacity, experience and growth of one company. It's obtainable from Arthur G. McKee & Co. of Canada Ltd., Toronto, Canadian subsidiary opened in 1952.

Stratford Plant For Westinghouse

Canadian Westinghouse Co. will build a plant at Stratford this year for the manufacture of small motors, J. D. Houlding, manager of the company's Industrial Products Division has announced.

When in full production by early 1956, the new plant is expected to employ between 100 and 125. It will be on No. 7 Highway at Lorne Avenue, with floor space covering 270 ft. by 140 ft. on a 24-acre site.

Architects are Prack & Prack of Hamilton. Building tenders will be opened to Stratford district contractors this month.

It will manufacture fractional hp motors from 1/20th to ½ hp.

In charge will be James Hornby, presently general superintendent of the Industrial Products Division at Hamilton, assisted by Harvey Georgian, now general foreman of the Small Motors department at Hamilton.

Smallwood-Duplessis Border Incident Skirted by Ottawa

OTTAWA (Staff) — The Federal Government wants no part of the Quebec-Newfoundland boundary dispute over division of the richly prized Labrador wilderness.

Premiers Smallwood and Duplessis are both known to be preparing attempts for a permanent settlement of the rather vague border which now separates the 110,000-sq.-mile area into two provinces. Ottawa is interested, and if asked will likely undertake the necessary boundary surveys, but officially, it regards the question as strictly a provincial matter.

The two provinces were arguing over Labrador long before Newfoundland's 1949 Confederation entry. While the quarrel can be traced right back to the Treaty of Paris, in 1763, which deprived Quebec of the Gulf of St. Lawrence north shore, Labrador's newly found economic importance is giving the dispute new urgency.

The once-blank wilderness is now known to hold the world's largest unexploited iron ore deposits. The mighty Hamilton River has a harnessable potential of four million hp. (twice that of the Seaway) and at least 40 million cords of prime black spruce have already been mapped. Exploration continues for economic deposits of copper, titanium, lead, zinc, graphite, nickel and mica, with some production already under way.

Need For Speed

Neither Quebec nor Newfoundland can afford to leave their rights in this vast treasure house unsettled much longer. The impending showdown has only been hinted at in public, but the two Premiers talk about the problem every time they meet.

Mr. Smallwood bases his claims on the 1927 Privy Council ruling that "the Labrador coast"—recognized as part of Newfoundland —"shall extend back to the watershed of the rivers running into the Atlantic." This laid down a "height of land" principle, fixing the boundary northward from the 52nd parallel to Cape Chidley.

One of the difficulties being mentioned by Federal officials is the problem of determining the actual height of land. The area is an undulating plateau about 3,000 ft. high, largely flat as an ironing board. It might not prove feasible to fix a rigid landline over or through which water flows or seeps eastward to the Atlantic. This kind of consideration would give Mr. Duplessis some fairly solid grounds for arguing the Privy Council ruling.

Right now, official Province of Quebec maps simply carry the notation: "The frontier between Quebec and Newfoundland is not indicated, for cause." The 1774 Quebec Act gave all of Labrador to Quebec, but the 1809 Newfoundland Act took it all away again, until 1825 when part of the title returned to Quebec. The 1927 Privy Council ruling was the last legal decision

In 1945, Premier Duplessis asked Ottawa to acquire Newfoundland and turn it over to his Province. Premier R. B. Bennett once negotiated with a private promoter trying to sell Canada the "land of Labrador" for $100 millions, which represented the external debt of Newfoundland.

Calgary Gets Eighth BBB

Canada's eighth Better Business Bureau has been formed in Calgary with Allan N. Rose, from Vancouver, as manager. He served with Scotland Yard before joining the staff of the Montreal Better Business Bureau eight years ago.

The Calgary bureau is affiliated with the Associated Better Business Bureaus of Canada, central organization for Bureaus in Halifax, Quebec City, Montreal, Ottawa, Montreal, Winnipeg and Vancouver.

Annual meeting of the Association is being held in Winnipeg next week.

More Wholesalers Sign Up With IGA

Two more wholesale houses—in Winnipeg and Dartmouth, N.S. —have signed up with the Independent Grocer's Alliance. The wholesalers, Codville Co. of Winnipeg and Bolands Ltd. of Dartmouth, will supply existing IGA retail stores and new members secured by the voluntary chain in their areas.

IGA President D. R. Grimes of Chicago said the franchise agreements were part of an extensive IGA program in Canada. "In three years in Canada we have set up eight wholesalers with 425 retailers," he said. "We have every reason to believe that before the year-end we will have more than 500 stores in Canada."

ANNOUNCEMENT

Security Storage Appointment

W. J. McKEAG

At the Annual Meeting Mr. G. H. McKeag, President, announced the appointment of Mr. W. J. McKeag as Managing Director of Security Storage Co. Ltd. Mr. W. J. McKeag will continue as President of McKeag Furniture Store Limited.

Ottawa Note To U. S. Lodges Protest on Hardboard Action

OTTAWA (Staff)—If allowed to stand, last week's U. S. Senate amendment to the House of Representatives bill ruling that hardboard should be classified as a wood product rather than a paper product will increase the duty on U. S. imports of the material from 7½% to 16 2/3%.

The Canadian Government is vigorously protesting the proposed increase, which must still pass a House and Senate conference. U. S. importers had entered a suit in the U. S. Customs Court to reduce the present tariff to 5%.

The importers held that hardboard should be classified under paragraph 1,402 of the 1930 Tariff Act as "wall board, not plate finished or otherwise processed." The Collector of Customs in New York, representing the U. S. Government, maintained that paragraph 1,413 applies, classifying the material as "pulp board plate finished." The court has ruled in favor of the Government stand.

Meanwhile, the U. S. Senate attached a rider raising the hardboard tariff to 16 2/3%, to a House Bill extending for two years servicemen's privilege of sending gifts home free of duty. The measure is being aimed at imports from Finland and Sweden, as well as Canada.

Canadian manufacturers of hardboard include Abitibi Pulp & Paper Co., Canadian Forest Products Ltd. and International Pulp & Paper Co. The U. S. last year imported 75 million board ft. U. S., domestic manufacturers turned out 1.3 billion sq. ft. Canadian exports to the U. S. reached their peak in 1952, with 35 million sq. ft. shipped.

Ottawa Note

The Canadian Government's note to the U. S. emphasizes that the recent investigation of the U. S. hardboard industry by the U. S. Tariff Commission did not support increased tariff protection.

"It is hoped therefore that strong efforts will be made within the United States Government to defeat this present measure, which would have damaging effects upon trade of other countries, including Canada, and damaging repercussions upon the attitudes of other countries in their trade relations with the U. S.," the note states.

The Canadian Government made a similar protest on July 19, 1954, when a comparable measure was up before the U. S. Congress. In that note, Canada drew attention to the fact that tariff paragraph 1,413 under which hardboard was being imported into the U. S. was negotiated with Canada and is bound by trade agreement.

Trade Minister C. D. Howe has charged that if the new rider regarding hardboard tariffs were to become law "it would be quite contradictory to the spirit and intentions of the General Agreement of Tariffs & Trade, which governs Canada/U. S. trade relations.

"The Canadian Government has on several occasions made clear the concern which is felt about the widening scope of escape clause procedures in the United States. Moreover, in this case, action is being proposed, which is entirely outside the established procedures," he said.

Builder of Kitimat Guides Canada House at New York

The man who directed building of the Kitimat townsite is going to oversee the progress of Ray Lawson's Canada House dream from blueprint to reality.

John B. Carswell of Toronto has been named general manager of the nonprofit company, Canada House New York Ltd. which will build and own the multistory showplace on Fifth Ave., New York.

He has been holding talks with Canadian and New York architects. Architects for the job will be named in the near future, it's understood. One of his first acts will be to give notice to tenants of the building on the site which Canada House (New York) Ltd. acquired for $2.3 millions.

A decision is expected shortly on whether the present building will be demolished and up to 24 stories erected, or whether three stories will be added to the existing structure.

Carswell, who is a consulting engineer at Toronto, was chairman of Kitimat Constructors Ltd., general contractors for the aluminum plant at Kitimat.

He is also a past president of the Canadian Construction Association.

"Jock" Carswell came from Scotland in 1910. He was chief aviation engineer of the Imperial Munitions Board, designing and building air force camps for the Royal Flying Corps in Canada during World War I. From 1918-1928 he headed his own construction firm at Toronto; from 1928-1939 he was president of Burlington Steel Co., Hamilton. During the last war he was director-general of Canada's Munitions and Supply office in Washington, after the war he was president of War Assets Corp.

ANNOUNCEMENT

L. A. PALMER

who has been appointed Vice-President and General Manager of the Donnacona Paper Company Limited. Prior to his present appointment Mr. Palmer was Vice-President and Mills Manager. Mr. Palmer will continue to make his headquarters at Donnacona, Que.

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Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Food

DAVID & FRERE LTEE. net profit for the year ended March 31 was $434,642, up 27.1% from $341,964 in the previous year.

The company expects to have completed by December 1955, the Hochelaga Street plant in Montreal. All operations at Champlain Street will be transferred.

The new plant will have a third band oven and will be one of the largest and most efficient in Canada, deGaspe Beaubien, president, says.

INCOME ACCOUNT

Years Ended Mar. 31:	1955	1954
Oper. profit	$980,857	$801,444
Less: Depr.	173,350	161,773
Res. for taxes	372,665	297,707
Net profit	434,642	341,964
Less: Cl. A divds.	61,892	61,892
Cl. B divds.	103,500	103,500
Surplus for year	269,349	176,571
Earnings per Share and Dividend Record:		
Class A†	$21.07	$16.58
Class A*	3.00	3.00
Paid	3.00	3.00
Class B†	16.21	12.18
Paid	4.50	4.50

†Before (after) taking participating feature into account.
*Maximum available under participation.

CONDENSED BALANCE SHEET

As at Mar. 31:	1955	1954
Cash	$62,172	$336,403
Accts., notes rec., less res.	534,612	457,481
Investments*	389,612	252,566
Inventories	411,671	455,331
Total curr. assets	1,397,467	1,501,781
Def. charges	43,183	40,826
Goodwill	43,384	43,385
Fixed assets*	1,744,638	1,429,406
Total assets	3,233,674	3,020,398
Total curr. liab.	483,556	489,329
Funded debt	500,000	559,000
Capital stock	322,929	322,929
Surplus	1,927,189	1,637,940
*After depr. of	1,080,937	907,428
*Market value	502,744	284,750
Working capital	913,911	1,012,252

Public Utilities

OKANAGAN TELEPHONE CO., Vancouver, B.C., net profit of $153,915 for 1954 was up 8.6% from 1953 net of $141,720.

There was a net gain of 940 telephones bringing the total at the yearend to 17,963 and some 85.1% of the phones were dial-operated. A new expansion program will result in almost complete automatic dial operation in 1957.

Capital expenditures during the years from 1953 to 1957 will amount to more than $1 million with the money coming from earnings, depreciation and through sale of additional securities.

Total plant investment at the end of 1954 was $4,376,055, equal to $244 per telephone or more than $27,000 for each employee. In 1946, before the modernization and expansion program was started, plant investment was $1,410,248.

The shares were listed on the Vancouver Stock Exchange on Feb. 1,070 shares at $7 during the year.

INCOME ACCOUNT

Year Ended Dec. 31:	1954	1953
Gross revenue	$1,118,508	$1,045,460
Less: Oper. exps.	521,416	515,173
Net earnings	597,092	528,287
Less: Deprec.	203,015	157,823
Bond int. (net)	94,127	93,479
Bd. disc. & exp. w/o	4,735	4,765
Income tax	141,300	128,500
Net profit	153,915	141,720
Less: Pref. divds.	20,000	20,000
Common divds.	94,018	82,332
Surplus for year	39,897	39,388
Times Bond Interest Earned:		
Before deprec.	6.34	5.33
After deprec.	4.19	3.58
Earnings per Share and Dividend Record:		
Preferred	$2.98	$2.83
Paid	0.40	0.40
Common	0.64	0.58
Paid	0.43	0.40

CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$228,276	$212,295
Accts. rec.	64,166	60,248
Inventories	95,959	126,271
Total curr. assets	388,403	399,414
Prepd. exps.‡	38,489	16,970
Deferred chgs.	112,103	127,081
S.f. cash	19,000	7,000
Fixed assets†	3,515,200	3,489,286
Total assets	4,073,197	4,039,751
Accts., etc., pay.	169,169	93,502
Taxes pay.	66,334	64,847
S.f. pay. due	19,500	17,000
Total curr. liabs.	194,943	175,349
Funded debt	2,064,000	2,097,000
Capital stock	1,500,000	1,494,650
Contrib. surplus	121,755	120,150
Capital surplus	2,725	2,753
Earned surplus	189,744	149,847
†After deprec. of	860,855	895,684
‡Included in current assets in company's report.		
Working capital	193,460	224,065

Textiles

WABASSO COTTON CO. net profit diped 18.8% in the year ended April 30, 1955, to $183,215 from $225,727 in the year ended May 1, 1954.

Years Ended:	Apr. 30 1955	May 1 1954
Net earnings	$1,091,502	$1,282,352
Less: Depreciation	701,760	733,473
Bond interest	47,715	54,677
Res. for taxes	164,692	287,000
Add: Prof. in invest. sale	5,880	525
Net profit	183,215	225,727
Less: Dividends	259,709	297,588
Deficit for year	76,494	71,861
Times Interest Earned:		
Before deprec.	22.83	23.45
After deprec.	8.17	10.00
Earnings per Share and Dividend Record:		
Common	$0.52	$0.65
Paid	0.60	0.85

CONDENSED BALANCE SHEET

As at:	Apr. 30 1955	May 1 1954
Cash & Dom. bds.	$2,092,331	$2,100,282
Accts. rec. less res.	846,692	998,551
Inventories	2,743,417	2,749,476
Total curr. assets	5,682,440	5,849,309
Investments	222,160	222,160
Misc. assets	142,268	142,767
Fixed assets*	3,737,840	4,145,701
Total assets	9,784,728	10,360,937
Bank loan	1,737,000	1,767,000
Accts., tax., etc., pay.	914,793	1,137,711
Serial bds. due	200,000	200,000
Total curr. liab.	2,851,793	3,104,711
Def. liab.		36,173
Replace. res.	368,330	373,563
Funded debt	1,000,000	1,200,000
Research, etc.	1,000,000	1,000,000
Capital stock	2,000,000	2,000,000
Surplus	2,424,056	2,450,550
*After depr. of	12,908,076	13,208,219

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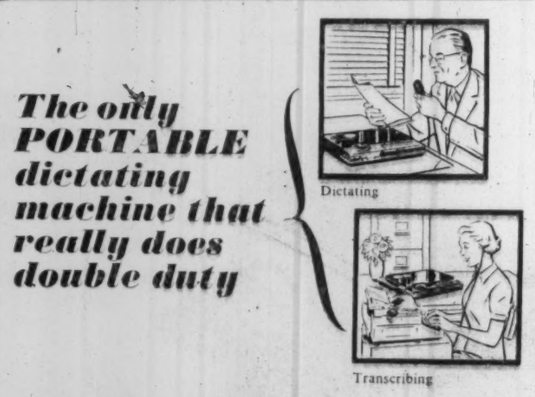

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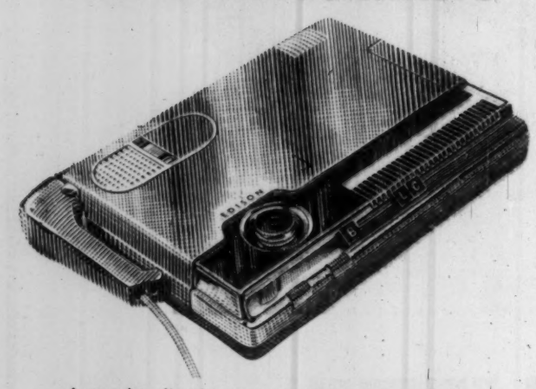

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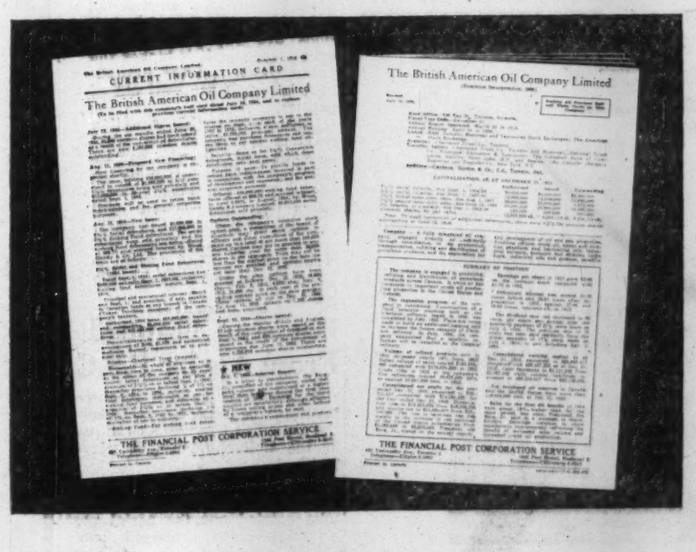

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LABOR ROUNDUP By JACK McARTHUR

Pressure On Left-Wing Unions

Campaign Against Labor Lefties Taking Shape

The pattern of the unity squeeze on Canada's red-influenced unions is emerging slowly.

It's part of a much larger canvas: The big picture of co-operation and — in many cases — eventual amalgamation between TLC and CCL unions once bitterly opposed to each other.

A major reason Canada's handful of Commie-tinged unions have been able to survive has been opposition between TLC and CCL unions operating in the same fields. Now, with these fights seemingly over, the pinko independent unions fear a concerted attack on their membership (The Post, Feb. 12).

Now there's a suggestion that honeyed words, not open warfare, may be used to decimate the left-wing unions.

This seems to be what's happening in the case of the Red-influenced Fur and Leather Workers Union.

Months ago, the AFL-TLC Amalgamated Meat Cutters got together with the FLWU to talk merger. After much negotiation, merger became almost a fact. A lot of people thought FLWU had outguessed the Meat Cutters.

But the AFL-TLC Union said FLWU must clean house a little before merger could be consummated. Now, the house-cleaning appears to have become a complete renovation.

In the U. S., the FLWU leadership has agreed to take the anti-Communist Taft-Hartley affidavits. In Canada, two top officials of FLWU have been squeezed out and more such resignations look likely.

Meanwhile, a CIO committee has been raiding FLWU in the U.S., with some success. Result: Near eclipse of one left-wing union.

This kind of thing, of course, calls for careful negotiating on the part of unions in positions similar to that of the Meat Cutters Union. It's always possible the left-wingers will prove the shrewder horse-traders. Then, a "respectable" union could find itself harboring so-called "undesirables."

Another target for this approach may be United Electrical Workers, expelled by the CCL in 1950.

The union to do the polite hatchet job on part of the UE likely would be CIO-CCL United Auto Workers. But it probably would be a long hard job. The CIO-CCL International Electrical Workers for some time has been engaged in a frontal attack on UE.

Meanwhile, there have been rumors — nothing more, so far — that the AFL-TLC Hod Carriers may join with part of the Red-led Mine-Mill Union.

And there are suggestions that TLC transport workers' unions may level their sights on United Fishermen and Allied Workers Union, suspended by the TLC in 1953.

* * *

Rumors Of Merger Gathering Strength

In the larger picture of merger negotiations, there'll be an increasingly large number of preliminary discussions and rumors of preliminary discussions.

The report of the TLC-CCL Unity Committee calls for amalgamation of opposing provincial federations and local labor councils within two years following the joining of the parent groups.

It encourages, but doesn't compel, merger of unions operating in similar jurisdictions.

Already the CIO-CCL Textile Workers and the AFL-TLC United Textile Workers are talking about amalgamation.

Other unions which may marry:

The Amalgamated Meat Cutters and the CIO-CCL Packinghouse Workers; AFL-TLC Brotherhood of Railway Clerks and CIO-CCL Brotherhood of Railway Employees.

Eventually, it appears many employers will face bigger unions possessing heftier strike funds.

* * *

Political Neutrality Gets Big Boost

CCL leaders after the June 9 Ontario general election conceded they had been unable to arouse workers on the subjects of unemployment and health insurance — two issues which the CCL hoped to use to persuade workers to vote CCF.

The failure of the CCL to lift the Ontario CCF from the ranks of the splinter parties is significant in the national labor picture.

Had the CCF made an improved showing in Ontario, it would have been attributed to greater CCL support and activity. There would have been added pressure on the TLC and many CCL unions to support the CCF actively (The Post, May 7).

But the CCL failed to prevent the CCF share of the Ontario popular vote from declining.

Result: The TLC gets added support for its contention that siding with one political party is bad tactics. And the number of CCL unions lukewarm toward the CCF may increase.

* * *

Labor Briefs

Guaranteed income similar to the United Auto Workers guaranteed annual wage will be the general goal of Canadian unions within five years, TLC research director Leslie Wismer predicts. Wismer's Toronto statement is a TLC attempt to counteract the impression that it is half hearted in its support of an annual wage.

When an employer says he can't pay the wage increase asked by a union, should he be required to prove his inability in detail? The Saskatchewan Government has received a request for such a law. It came from the CIO-CCL Retail Wholesale and Department Store Union.

It's in line with union efforts across Canada to find out more about the financial and operational details of the firms for which their members work.

The difficulty: No company wants to give out confidential details which may reach competitors.

GAW Thunder Rolls Here First Autos, Then Others

Electrical manufacturing this week joined the auto industry as a prime target for the demand for the guaranteed annual wage.

It will probably be next year before basic steel gets a serious, well-muscled demand for a layoff payment plan similar to that won in the U. S. by the CIO United Auto Workers.

These twin possibilities are emerging from the sound and fury attendant upon UAW's success in the U. S. in signing both Ford and General Motors to contracts which recognize the heavily-publicized GAW principle.

At midweek, this was the GAW picture in Canada:

—GM of Canada was facing a formula which might cost it $7 millions annually, including the cost of building a $7 million trust fund to finance GAW payments. The question: Would it give in to UAW or fight?

—CIO-CCL International Electrical Workers looked certain to ask the annual wage of Canadian General Electric late this year or early next.

—CIO-CCL United Steelworkers will ask Canadian basic steel to think about the annual wage this year. Next year, it probably will demand a GAW deal like the auto workers'.

—When UAW finishes its round of GAW discussions with the auto industry, it almost certainly will turn to the farm machinery business. This means that, sooner or later, Massey-Harris-Ferguson will be asked for the annual wage.

In more detail:

Automotive: Just as Ford had done last week in the U. S., GM (U. S.) did the same. It forestalled a UAW strike by signing a last-minute contract providing for annual wage (or supplemental unemployment) payments of 60%-65% of take-home pay for periods up to 26 weeks. The contract was virtually identical to the one signed with Ford (The Post, June 11).

In Canada, it was a question whether GM of Canada would sign a similar deal or exhaust all bargaining alternatives. If it chooses the latter, the fight will continue for months, through conciliation, strike votes and—maybe—strike.

Suppose GM here eventually accepts the formula set in the U. S. The annual cost would be about $7 millions, including payments into a trust fund from which annual wage payments would come providing necessary amendments to unemployment insurance are made.

The trust fund—or trust funds—to finance annual wage payments to employees probably would have to total $7 millions within three years (this is an unofficial figure).

Again, judging by the U. S. formula, Ford of Canada and Chrysler of Canada might have to build trust funds totaling $5 millions and $3.5 millions respectively. (Ford and Chrysler contracts don't expire until next year, but both companies almost certainly will get the GAW demand.)

Once the trust funds are built, of course, any additional cost depends upon layoffs. Additional costs might be negligible, given a series of fairly good years.

The UAW has asked for a conciliation officer in current talks at GM of Canada.

It's possible the situation there might develop differently from that in U. S. UAW might forego the automatic annual improvement factor won in the U. S., therefore would object to the three-year contract signed in the U. S. annual wage deal. This could cause trouble.

Electrical Manufacturing: As a byproduct of the GM settlement in the U. S., CIO-CCL International Electrical Workers won the GAW (for GM electrical employees).

Now it wants the same thing for electrical manufacturing here. Thus, it looks like CGE will get the annual wage demand late this year. The hard-driving, anti-Communist electrical union represents CGE employees at plants in Oakville, Cobourg, Montreal and Quebec.

It already has suggested to RCA Victor that the principle could be applied at RCA plants in Smiths Falls, Ont., and Montreal.

So far, the Red-influenced United Electrical Workers hasn't been keen about the annual wage. Therefore, it isn't likely that Westinghouse at Hamilton will have to fight a GAW demand this year.

The Hamilton Westinghouse situation has reached the conciliation stage. Meanwhile, Westinghouse signed with International Electrical Workers at its Brantford plant for increases of 10c-12c hr., ending a five-day strike.

Basic Steel: A board of conciliation is being set up at Stelco in Hamilton and a conciliation officer is stepping into negotiations between United Steelworkers and Algoma at Sault Ste. Marie.

GAW isn't an issue in either case. But next year probably will be different.

Farm machinery: Massey-Harris-Ferguson has begun negotiations with the Auto Workers, which called an M-H-F strike in Toronto last year.

It isn't likely M-H-F will get a demand for the annual wage util 1956—maybe even 1957.

The problems of the farm machinery industry in dealing with layoff pay would be far greater than those of the auto makers.

As an example: M-H-F has just laid off about 900 employees in Toronto, bringing the work force down to about 2,600. Here's a practical example of the variability of employment in farm equipment manufacturing.

The layoffs are larger than usual because the company hired extra workers to catch up on production after last winter's strike. Too, the lagging western market remains a factor. But GAW would cost a pretty penny for M-H-F.

Canada Bond Issue Oversubscribed

The $700-million Government of Canada bond issue was heavily oversubscribed.

Cash proceeds of last week's issue will be applied by the Government to the redemption of $600-million 2¼% bonds originally issued March 1, 1953, and Nov. 1, 1953, and which mature July 1, 1955. The balance will be used for general purposes.

The new issue consists of 2% bonds maturing May 1, 1958. They were offered at 100% to yield 2% to maturity. The issue is non-callable.

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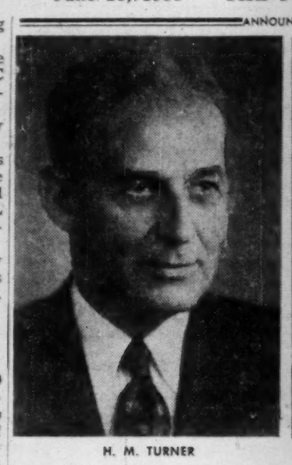

H. M. TURNER

J. H. GOSS

The Board of Directors of Canadian General Electric Company, Limited, has announced the election of Harold M. Turner as Chairman of the Board and James H. Goss as President and chief executive officer of the company. Mr. Turner, who has been president of Canadian General Electric since 1946, is now responsible primarily for top-level public and government liaison. Mr. Goss has a wide range of experience in the electrical manufacturing industry and most recently held top executive appointments with the General Electric Company in Louisville, Kentucky.

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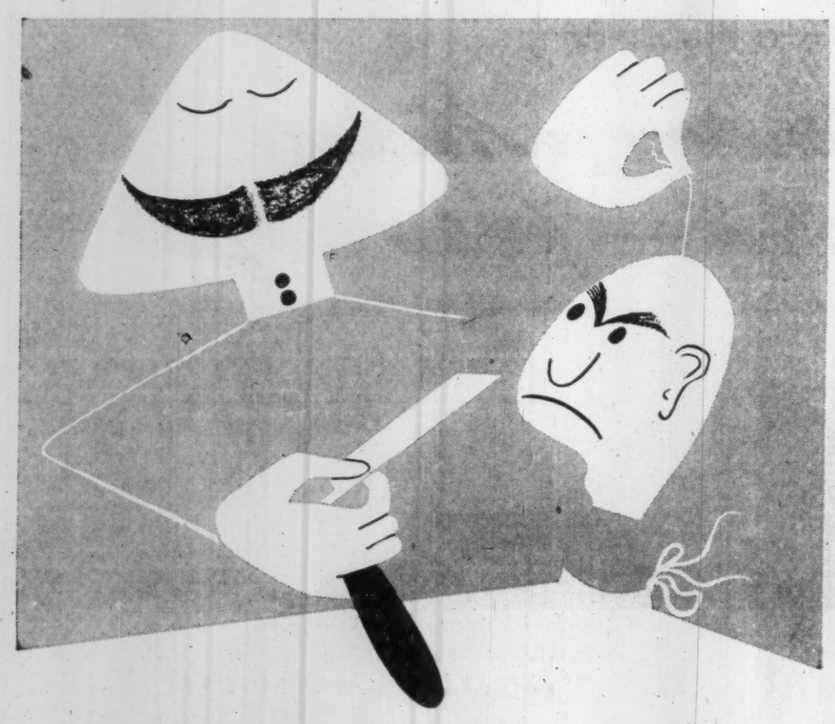

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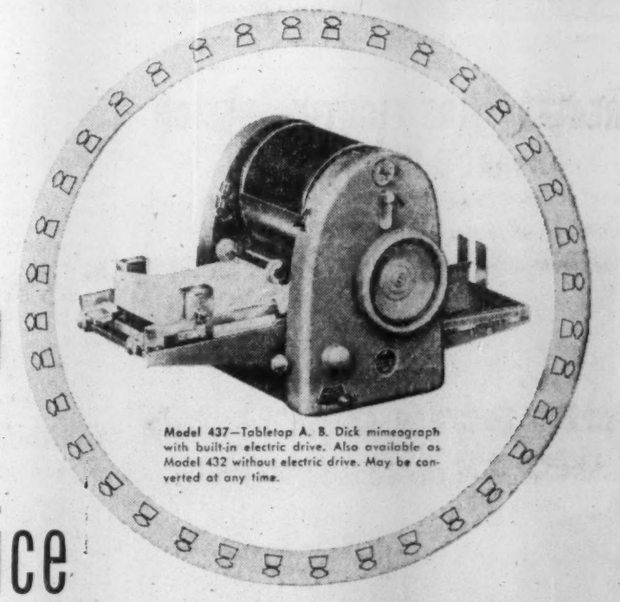

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Atkinson Reviews New Changes, Looks At The Future

Canada's banking system is stronger, more stable than ever before, President T. H. Atkinson of Canadian Bankers' Association (he's vice-president and general manager of Royal Bank of Canada) said last week when he completed his two-year term of office. In his valedictory address, he reviewed a year of major changes in banking, looked ahead to their long-term effects on Canada. Here is a digest of his speech.

By T. H. ATKINSON

One of the most significant features of the past year his been the extent to which the banks responded to their newly-created ability to make mortgage loans under the National Housing Act, 1954.

The banks have entered wholeheartedly into the mortgage lending field and, despite many difficulties caused by lack of experience and trained staff, have achieved results which I believe it is fair to state have surpassed those anticipated by the Federal Government when it announced its intention to introduce the legislation.

Banks Handle 40%

From the proclamation of the Act on March 22, 1954 to April 30, 1955, the chartered banks have made commitments for National Housing Act mortgages of slightly more than $210 million. That represents about 28,000 homes built or building on bank credit, a notable contribution toward easing the housing problem throughout Canada. Of the total number of housing units approved for loans under the act, 40% are being financed by the chartered banks.

Although the banks had commitments of $210 million on their books on April 30, actual advances were about $118 million. There always will be a lag between commitments and advances because payments are made only as construction proceeds. In addition, as permitted by the act, some of the mortgages have been sold, with the banks retaining the servicing.

While most of the mortgage loans have been made in the larger urban centres where the housing problem has been most acute, I nevertheless point with pride to the number of homes financed by the banks in the smaller and more remote areas where previously it was difficult, sometimes impossible, to obtain adequate mortgage assistance. The chartered banks have made mortgage loans from one end of Canada to the other and, broadly speaking, they are available in every community within reasonable reach of a branch bank.

Loans To Increase

The experience of the first year has been satisfactory and there is no doubt that the financing of homes under the National Housing Act is now an accepted and integral part of Canadian banking. Despite the large volume of mortgage loans — a volume which will increase steadily — I should like to emphasize they have not restricted the ability of the chartered banks to provide credit to ordinary bank borrowers, the thousands of individuals, corporations and public bodies that rely on bank credit to assist in their financing.

In view of this record of achievement, I believe there should be complete confidence in the willingness of the chartered banks to administer fairly and equitably the latest type of special banking legislation — the Home Improvement Loans sections of the National Housing Act. Indeed, the banks have entered this field with energy and dispatch. The legislation has been fully operative only since Feb. 1 but up to May 5 there had been almost 2,500 loans recorded with Central Mortgage and Housing Corporation, totaling $3,250,000. During the short life of this new banking service, loans have been averaging $1,000,000 a month, a figure, I believe, that will increase as both banks and home owners become more familiar with this lending field.

Decline In Interest Rates

One of the significant features of the general financial picture in recent months has been a considerable decline in interest rates in Canada. This has been in sharp contrast to a progressive increase in interest rates in New York and London and reflects the easy money policy followed by the Bank of Canada since late in 1953. This policy, designed as a stimulant to the nation's economy, has posed problems for the chartered banks which have been confronted with the necessity of employing surplus funds at steadily falling rates and which, on the whole, bear little relationship to cost factors of the banking system.

The 1954 revision of the Bank Act required the chartered banks to maintain cash reserves of 8% of their Canadian deposit liabilities, working to a daily average in each month. The result of these new provisions of the Bank Act has been that cash reserves have been more than sufficient to enable the banks to meet all demands for loans and, at the same time, take a full and extensive part in the day-to-day loan market set up in Canada for the first time a year ago.

Day-to-Day Market

The day-to-day loan market operates as an enlarged short-term money market and, while it might be regarded as a highly technical affair relating only to the banking world, actually it has proven to be of much greater importance. As I said last year, it has filled one of the few remaining gaps in the financial system of Canada and has proven to be an effective means for the efficient channeling of funds for development purposes and capital investment. One of the great advantages of this market has been that it permits the chartered banks to adjust cash reserves quickly and efficiently, assisting in the smooth functioning of the banking system as a whole.

In this market, the chartered banks make available to jobbers in Government of Canada securities who have been granted rediscount facilities with the Bank of Canada, day-to-day loans secured by treasury bills or Government of Canada bonds maturing within three years. They are granted strictly on a day-to-day basis at the convenience of an individual bank when it has surplus cash to employ in this manner.

Public Holdings Increase

One result of a year's operation of this market has been a substantial increase in the holdings of treasury bills by the general public. On May 31, 1954 Government of Canada treasury bills totaling $74 million were held outside the banking system, a substantial amount by investment dealers and a relatively small proportion by the general public. On April 27, 1955, holdings of treasury bills outside the banking system had increased to $338 million, of which probably $250 million were held by the general public, the remainder by investment dealers. This figure might have been considerably higher if it had not been that higher yields on three-month treasury bills issued by the American and British Governments at times attracted substantial amounts of short-term investment money from Canadian markets.

On May 31, 1954 the chartered banks held $266 million in treasury bills and had no day-to-day loans, the market not having been started. On April 27, 1955 they held $366 million in treasury bills and $69 million in day-to-day loans, an over-all increase of $169 million which represented 1.7% of Canadian deposit liabilities.

During the course of the year's operation of the day-to-day loan market, chartered bank holdings of treasury bills have fluctuated considerably, with a high point of $465 million in February, 1955 and a low of $315 million in December, 1954. Day-to-day loans reached a high of $135 million on Oct. 27 and a low of $21 million on Jan. 19. There have been fluctuations as high as $45 million in a week, clear evidence of the activity of the market.

Sharp Competition

The interest rates on day-to-day loans have clearly reflected the full play of unrestricted, competitive forces in the market, a general reflection of the sharp competition that exists in all banking fields in this country. Rates have ranged from a high of 1.5% in June, 1954 when the market started, to a low of 0.5% in January, February and May, 1955. In general, the rates have tended to fall just below the yields on three-month treasury bills and to follow fluctuations in them.

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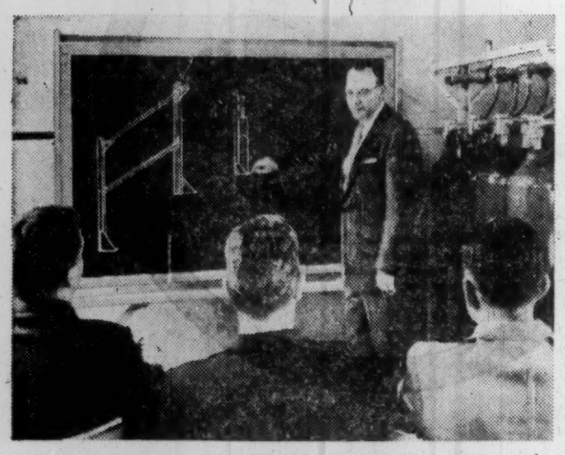

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☐ 2. SELF-ENCLOSED PARTS – All moving parts of the new Kidde system are self-enclosed to prevent fouling or accidental operation!

☐ 3. EASIER INSTALLATION – New racking arrangement is pre-drilled at the factory, eliminates need for special hangers, tools or outside material! Can be either "free standing" or wall mount.

☐ 4. NO PARTS TO REPLACE – Even after a fire, operating parts of the new Kidde system can be re-set with a screwdriver. No parts need be replaced. Refill cylinders and system is ready for operation!

☐ 5. SIMPLE, THOROUGH TESTING – By merely disconnecting control heads from cylinders, *all* operating parts (other than actual discharge of CO_2 gas) can be tested *in place!*

☐ 6. QUICK VISUAL INSPECTION – All primary actuating parts fitted with easy-to-read visual indicator. Shows at a glance if system is "set" or "released."

☐ 7. MULTIPLE PROTECTION – Automatically-operated Directional Valves let you protect more than one hazard from the same bank of cylinders!

☐ 8. SIMPLIFIED WEIGHING – New racking arrangement lets you weigh CO_2 cylinders right in place without disconnecting them, providing uninterrupted fire protection even while cylinders are being weighed!

☐ 9. NO OUTSIDE POWER NEEDED – The new Kidde system is completely self-contained, has rate-of-temperature-rise detectors which give sure protection even in case of outside power failure!

☐ 10. AUXILIARY EQUIPMENT – Also available for use with the new Kidde system are devices for turning power on or off, for opening or closing doors, windows, dampers, etc.

Fully approved by Underwriters' and Factory Mutual Laboratories.

Complete details of this revolutionary new system are contained in Kidde's Pressure-Operated System Booklet. Write for your copy today!

Kidde — Walter Kidde & Company of Canada Ltd., Montreal—Toronto

The words 'Kidde', 'Lux', 'Lux-O-Matic', 'Fyre-Fyter' and the Kidde seal are trademarks of Walter Kidde & Company, Inc.

Lethbridge Expects New Canning Plant

From Our Own Correspondent

LETHBRIDGE, Alta. — Alberta Canning Co. is expected to announce important changes in operations, and the site in the Lethbridge region for a vegetable quick-freezing plant and cannery.

The company recently closed its cannery at Brooks and may be planning to do likewise with its cannery at Magrath.

Both those Southern Alberta canneries have been operated by the U.S.-owned organization for several years — but with limited success at best.

The expansion program mapped out by the company will see the firm going into quick-freezing of vegetables in Alberta for the first time.

General expectations are that the new combined freezing-canning plant will represent a capital investment of a million dollars and that it may be located in the city of Lethbridge. However, the company also holds an option on an industrial site in Coaldale, nine miles east of this city.

The company decided to close out its Brooks plant in the Eastern Irrigation District permanently several weeks ago after a succession of disappointments with cannery crops in that southeastern Alberta region.

While its experience with cannery peas in the Magrath district south of Lethbridge has been successful every year, the company has suffered reverses with its cannery corn crops there in each of the past four years. It has been obliged to have corn grown for it by farmers operating 60 and 70 miles east of Lethbridge.

The major blame for the poor experience with cannery corn in the Magrath district is attributed to early fall killing frosts damaging crops there at least two weeks earlier than farther east of Lethbridge. The Magrath area is much nearer the Rocky Mountains.

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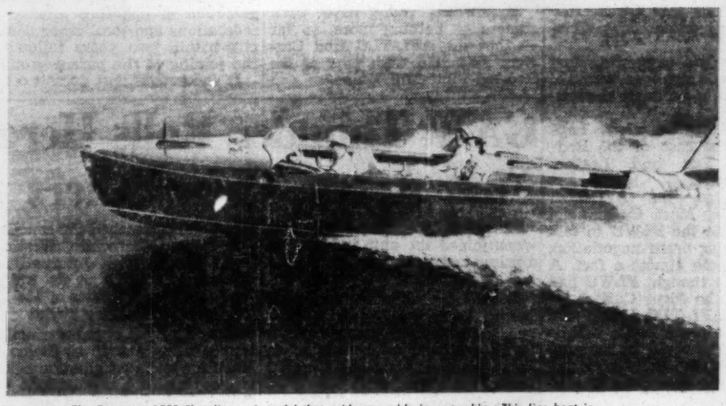
Inimitable Beauty!

Custom built boats, with choice of power and speed, matching colour of upholstery and arrangement of appointments.

Style, appearance, and magnificent performance — all the qualities you ever hoped to get into one hull are yours in these latest Greavette Boats that convey the evidence of distinguished ownership wherever they go.

1955 Greavette Streamliner fully appointed, incorporating luxury and power. This fine model is also available with convertible top.



The Greavette 1955 Sheerliner. A model that evidences pride in ownership. This fine boat is also available with convertible top.

Greavette BOATS LIMITED
GRAVENHURST, ONTARIO, CANADA

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510,000

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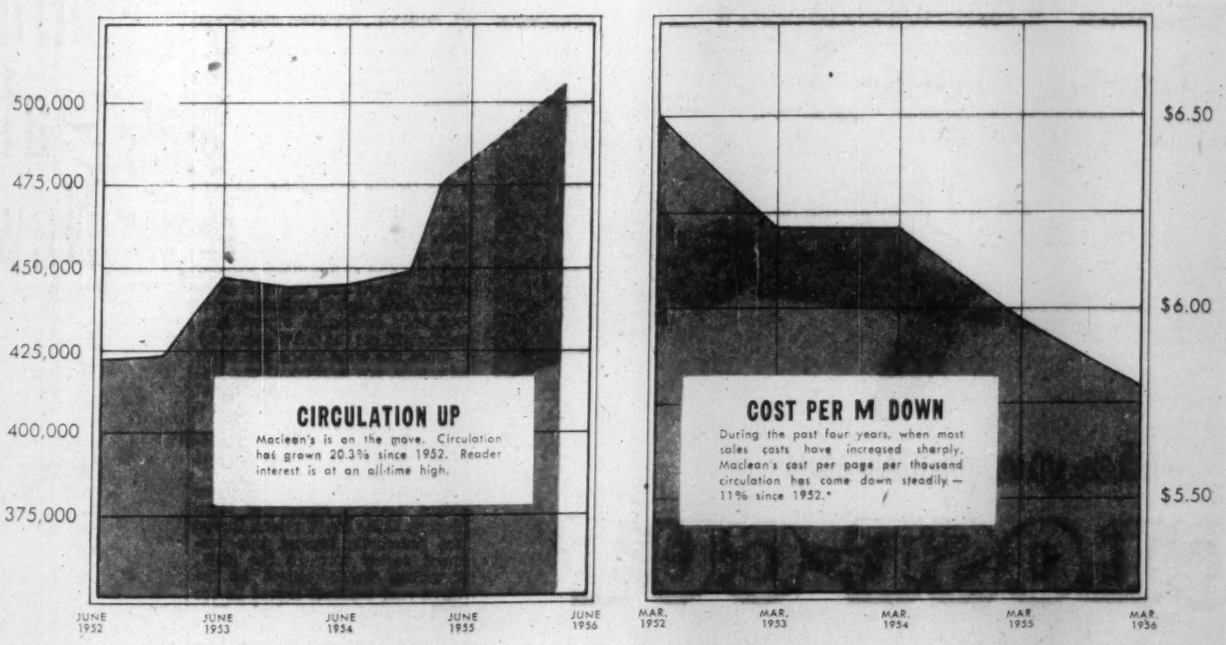
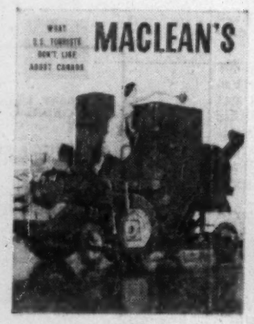


*Costs per thousand circulation are figured on the 6-time schedule for full-page, black and white advertisements.



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ANNOUNCEMENT

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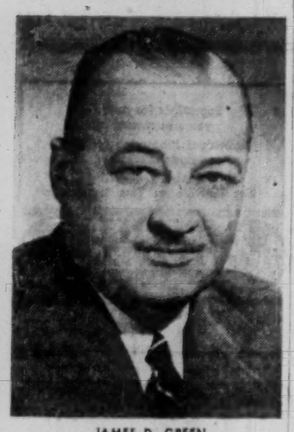

JAMES D. GREEN

Appointed Export Manager, Hiram Walker & Sons Limited. Mr. Green, a graduate of R.M.C., and a Chartered Accountant, joined the company in 1937. He served overseas with the Essex Scottish Regiment during World War II. In 1947 he became a member of his firm's Export Department. Since then he has been connected with the vast export trade of Hiram Walker and Sons Limited, visiting many countries of the world in calling upon his company's foreign representatives and distributors.

Mr. Green was formerly Assistant Export Manager, and in his new position, will be responsible for the sales of Hiram Walker brands in all overseas markets.

These Operations Streamlined

Moffats Becomes Control Company of Avco Group

Reorganization of Moffats Ltd. operations to streamline administration, cut costs and level out seasonal production peaks was announced this week at the annual meeting of Avco of Canada board of directors.

The reorganization plans, submitted by Moffats President Donald R. Moffat, establish Moffats Ltd. as the operating company of the Avco of Canada organization. Avco of Canada is a subsidiary of Avco Manufacturing Corp., New York.

Under the plan the company's electronic equipment, home appliances, heating and air conditioning manufacture and marketing will be handled by four Moffat divisions:

—Moffat home appliances division: Moffat ranges, Crosley Shelvador refrigerators, Bendix automatic washers and dryers.

—Crosley radio and television division: radio, television and electronic equipment.

—Alvar Simpson Ltd.: Janitrol home industrial heating, summer and winter air conditioning.

—Thermax Ltd.: Commercial cooking equipment and elements.

Ready for Gas

The Alvar Simpson division will distribute and later manufacture natural gas and oil heating and air conditioning equipment under an agreement with Service Combustion Co. of Toledo, manufacturers of Janitrol matched central and package air conditioning units. The new line will feature precision equipment built for installation as combination hot and cold air conditioners or single systems.

Mr. Moffat said manufacture of the Janitrol line will probably be undertaken in the company's Weston plants. One advantage will be the spreading of manufacturing operations over the year since the Bendix machines, built there since last year, and furnaces ranges and refrigerators all have different season demand.

About 1,600 persons will be employed in all divisions. Present employment ranges from 1,100 to 1,600.

Sales and service facilities are being operated from the company's branches in Vancouver, Montreal, Weston and at Winnipeg when the new plant there goes into full operation. It is not planned to interrupt the present company distributor arrangements in Saskatchewan, Alberta and the Maritimes.

"This is essentially a tidying up operation," Mr. Moffat said. "It was done at the branches nine months ago and now we are carrying it through to the policy level."

"We expect it to cut distribution costs and through diversification hope to reduce our overhead. It is also a means of meeting the competition of United States manufacturers who are 'dumping' goods on the Canadian market."

Eyes on Exports

Mr. Moffat said Moffats will continue to keep in close touch with Avco's international division in New York in an effort to regain export sales which ran as high as 40% of Canadian company sales before World War II.

Several European companies are manufacturing Moffat's Canadian range in Europe on a royalty basis and the company expects substantial sales of component parts during the next year while they are tooling up for production.

Mr. Moffat said Avco is considering a long-term development program of a "substantial nature" mostly in plant re-layout and equipment and warehouse improvements. A major factor in determining the timing of the program will be the company's comparable cost position between Canadian and United States manufacture.

"If U. S. prices continue to go down and Canadian costs continue to go up, we may end up as a distributing organization for U. S. manufactured goods," he said.

Who Directors Are

Elected to the boards of Moffats Ltd. and Avco of Canada were: Victor Emanuel, chairman of the board and president, Avco Manufacturing Corp., New York; John A. McDougald, Toronto; Donald R. Moffat, Toronto; Walter A. Morgensen, vice-president and director, Avco Manufacturing Corp., New York; Leroy A. Lincoln, chairman of the board, Metropolitan Life Insurance Co., New York; A. Deane Nesbitt, Montreal, William E. Phillips, Toronto; Raymond S. Pruitt, vice-president and director, Avco Manufacturing Corp., New York; Collamer C. Calvin, Q.C., Toronto.

Moffats Ltd. appointments announced were: John A. McDougald, chairman of the board; Donald R. Moffat, president; Walter A. Morgensen and Herbert C. Darruch, vice-president and general manager, Crosley division; Cecil A. Winder, general manager, Moffat appliance division; James L. Ross, secretary.

Sterling Convertibility Slow Process; Liberalization First

OTTAWA (Staff) — While the Conservative victory in the recent British elections has put the party pledged to convertibility back into power, the actual fact of convertibility does not now appear imminent. Further sterling trade liberalization, however, may be expected.

Sterling area gold and dollar reserves stood at $2,686 millions at the end of May, unchanged from the month before, but included a $47 million deficit in the sterling area's residual balance with countries outside the European Payments Union. This compares with an April deficit of only $28 millions and an average second quarter 1954 surplus of $84 millions. Total reserves are down from the 1954 second quarter, when they were running up to $3,017 millions.

It is thought the U.K.'s money policy needs plenty of further testing before Britain will attempt any decisive steps toward current transactions convertibility. Capital movement convertibility is not being considered.

While the U. K.'s recent sharp increase in interest rates seems to be bringing international accounts closer in balance, some inflationary pressures are at work, especially in overseas sterling countries. The pre-election U. K. budget released an additional $430 millions of domestic consumer purchasing power. Credit will have to be tightened before the pound becomes convertible for current trade.

Major difficulty is that Britain's imports have been moving faster than her exports. Britain is now a net coal importer. In the first quarter of 1955, the U. K. increased her purchasing in Canada by 50% over the previous year, spending $232.4 millions. U. K. average imports for the first four months were running 18% more than the comparable 1954 average. Exports to the dollar area have remained about level, totaling $66.3 millions for the 1955 first quarter.

The British policy continues to be a slow creeping toward convertibility by the freeing of more and more trade. Some liberalization toward Canadian exports, especially in the semi-manufactured goods categories, could come later this summer.

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ANNOUNCEMENT

NASH TORONTO ZONE EXPANDS

GEORGE E. WORLEY — J. ARNOLD HENRY — D. LLOYD GIBSON — GARNET R. GUNN — STANLEY C. BROWN

A further broad expansion of Toronto Zone personnel to enable Nash Motors of Canada Limited to provide better service to Nash dealers is announced by Mr. Richard T. Purdy, President, Nash Motors of Canada Limited. At left above is Mr. George E. Worley who has been appointed Toronto Zone Manager. Mr. Worley has been associated with the automobile industry for the past 26 years and has been with Nash since 1949. He previously served as District Manager for Southern Ontario and latterly as Assistant Toronto Zone Manager. Mr. J. Arnold Henry, newly appointed Assistant Zone Manager for Toronto Zone has been with the automobile industry for the past 18 years and formerly served as District Manager for Nash in Southern Ontario. Mr. D. Lloyd Gibson, appointed District Manager for Northern and Eastern Ontario, has been associated with the automobile business for the past 7 years. Mr. Garnet R. Gunn whose appointment as District Manager for Southwestern Ontario is announced, brings to Nash 18 years experience in the sales finance field, having most recently held the position of Branch Manager in that industry. Mr. Stanley C. Brown, who has been with Nash for the past 5 years in the Parts and Service Division, will serve as Parts and Service representative in Northern and Eastern Ontario.

"... but one lamp by which
our feet are guided
and that is the lamp of experience."

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The VALUE LINE Investment Survey

CIGARETTE STOCKS
and the Cancer Scare

New medical reports again linking cigarette smoking with cancer have just been released. Nevertheless, prices of cigarette stocks have shown little reaction. Is it true that most people who are likely to stop or reduce their cigarette consumption as a result of the "cancer scare" have probably done so already? Is this a buying juncture or are cigarette stocks doomed to gradual extinction?

This week's edition of The Value Line Investment Survey carries a thoughtful discussion of the cigarette industry together with a full-page analysis and specific advice on each stock. This timely Value Line report takes account of the many factors that affect the outlook for earnings and dividends, which ultimately make stock prices. Included are: the impact and duration of the recent medical findings, the effects of the swing to king-size and filter-tip cigarettes, the acceleration of medical research, the hold of cigarette smoking on the American people. The conclusions reached by the Value Line Survey analysts are of particular importance to the long-term investor.

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COMPANY REPORTS

Manufacturing

SWITSON INDUSTRIES LTD., Welland, Ont., net profit slipped 18.2% to $232,488 in the year ended Jan. 31, 1955 from $284,047 in the previous year.

Sales were down about 3% from the previous year's record, Harold G. Fox, president, states. The drop in profits was greater proportionately because of expenditures for tooling new lines of vacuum cleaners and floor polishers and for a new division making and selling gas-heating equipment.

A drop in business from a contract account is reported but other business improved in the last three quarters of the year, particularly in the new lines.

Sales of vacuum cleaners and floor polishers were up and sales of stencil cleaners and polishers were at record levels. Mr. Fox notes that contract sales of vacuum cleaners accounted for 62.5% of total sales in the year ended Jan. 31, 1954 but dropped to 34.5% in the latest year.

Sales in the first quarter of the current year have resulted in a net profit which is up more than 25% from the same period last year, he adds.

Sales to the aircraft industry will persist at least through the present year, he says. Actuators for aircraft account for about 18% of total business.

A new type of conversion gas heater has received approval. Licensing arrangements have been completed with two western U. S. manufacturers to make gas water heaters and gas furnaces. Some $125,000, including $75,000 charged to operations this year, has been spent for this division.

The company plans expansion of production lines at its plant and in sales offices in Welland and Toronto.

INCOME ACCOUNT

For years Ended Jan. 31:	1955	1954
Net earnings	$472,872	$566,834
Less: Deprec.	24,727	17,787
Taxes	215,637	283,000
Net profit	232,488	*281,047
Less: Cl. A divds.	...	259
Pref. divds.	6,000	5,250
Common divds.	108,000	72,000
Surplus	118,488	206,538

*Profit in co's report shown at $273,348 after deducting $6,198 prospectus and listing expenses and adding other adjustments.

Earnings per Share and Dividend Record:		
Preferred	$193.74	†$236.49
Paid	5.00	*3.75
Common	0.38	0.46
Paid	0.13	0.12

†After deducting divds. paid on cl. A shs.
*Three quarterly payments.

CONDENSED BALANCE SHEET

As at Jan. 31:	1955	1954
Cash	$3,222	$419
Accts. rec.†	253,533	161,570
Invests.	...	5,125
Invent.	707,853	807,212
Total curr. assets	964,613	974,326
Prep. exps.‡	6,463	5,381
Deferred chgs.	2,427	4,408
Fixed assets*	269,211	217,334
Total assets	1,242,714	1,291,449
Bank loan & o'draft	116,695	196,117
Accts., etc., pay.	181,180	140,663
Income taxes	112,400	150,718
Total curr. liabs.	410,275	487,498
Capital stock	‡132,000	132,000
Earned surplus	700,439	581,951

*After deprec. of $292,841 270,829
†After reserve of $22,650 20,000
‡Of which all o/s pref. shs. ($120,000) were redeemed subsequent to year-end.
‡Included in curr. assets in co's report.

Working capital 554,338 486,828

Contingent Liabilities at Jan. 31, 1955, estimated at approx. $100,000 to complete capital asset additions.

Public Utilities

OTTAWA VALLEY POWER CO., net profit increased 22.4% in 1954 at $217,283 from $177,407 in 1953.

INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Net earnings	$808,365	$713,335
Less: Deprec.	180,960	173,332
Bond interest	211,088	211,088
Income tax	199,054	151,508
Net profit & surplus	217,263	177,407
Times Bond Interest Earned:		
Before deprec.	3.03	3.38
After deprec.	2.97	2.56
Earned per Share:		
Common	$4.35	$3.55
None paid.		

BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$863,722	$136,143
Accts., etc., rec.	76,250	136,152
Investments†	790,400	785,260
Total curr. assets	1,330,372	1,057,537
Prepaid exp. & def. chg.	18,288	10,037
Funds in escrow	100,000	100,000
Fixed assets	9,955,986	9,956,090
Total assets	11,604,646	11,123,684
Total curr. liabs.	252,869	182,230
Deprec. res.	3,531,718	3,350,758
Conting. res.	...	...
Funded debt	6,495,000	6,495,000
Capital stock	250,000	250,000
Prems on bonds	244,559	244,559
Surplus	830,500	601,137
†Mkt. value	806,800	798,320
Working capital	1,077,503	875,307

Furniture
•
Appliances
•
Radio and Television
•
House Furnishings
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•
Housewares
•
Upholstered Furniture
•
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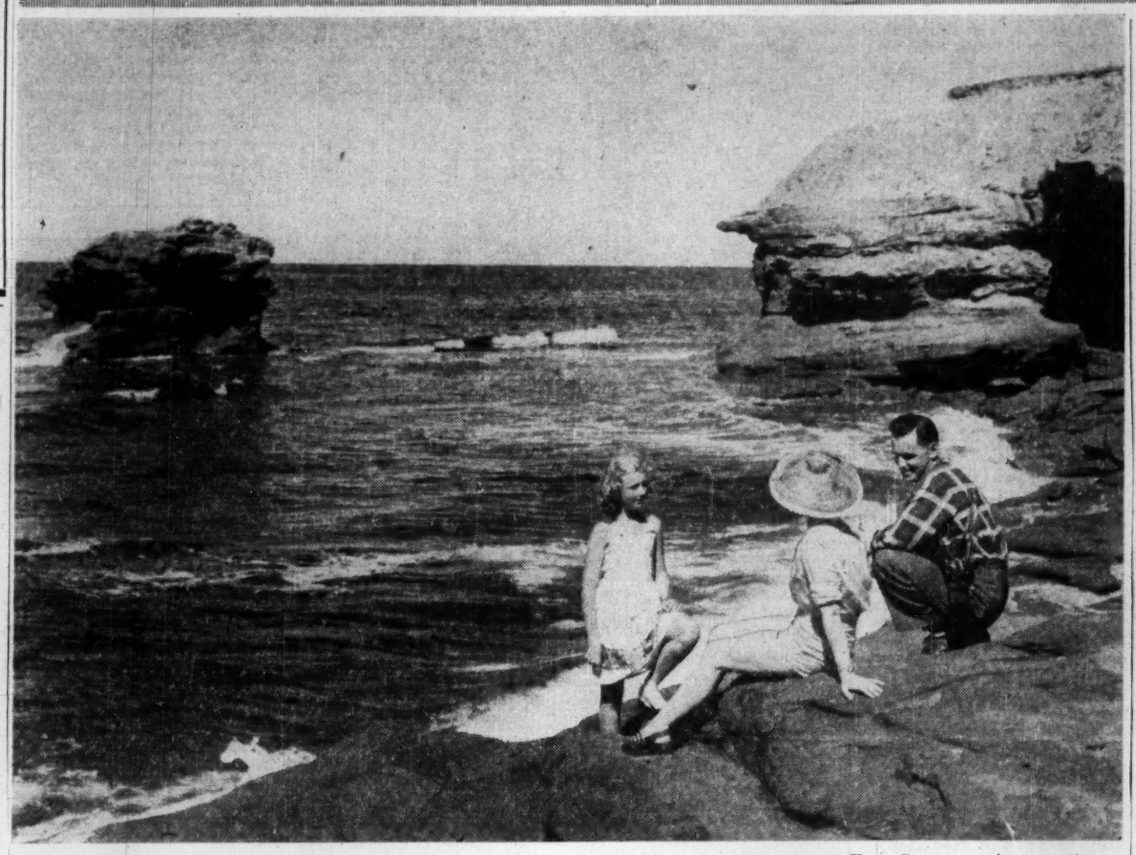

YOU CAN GET a seashore tan that can't be matched anywhere around their miles of coastline, claim Canada's Maritime Provinces. Prince Edward Island (above), Nova Scotia and New Brunswick join in some common tourist promotion on the theory that what is good for one Maritime Province is good for all and that visitors to one East Coast province are in easy hopping distance to another. Their tourist industry, still in the build-up stage, this year has such things as the Acadian bicentennial and the Charlottetown centenary to help things along. For a complete economic roundup of the Maritimes see pages 41 to 46.

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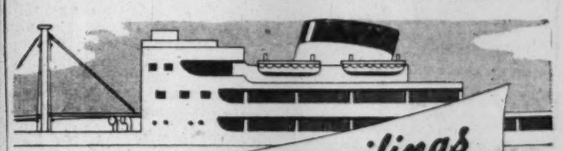

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Montreal Agents: Furness, Withy & Co. Ltd., 'phone: MArquette 1223

A Hub and Heart for Building

New Materials Display Centre Nears Completion

A dream is coming to life on Shuter Street, Toronto.

It's the Building Materials Display Centre (The Post, Feb. 19, 1955), the place designed to be the hub and heart of the Canadian building industry. Last week, the doors opened for the first time, to allow the vanguard of an army of workmen to begin the task of cleaning, prelude to the complete renovation of the old building.

With the completion of the renovation, the firms who will be showing their products in the Centre will move in, booths and displays will go up — and a four-year dream will have become reality.

It's a dream that began in the mind of a Scots-Canadian building executive. When Archie R. Craig arrived in Toronto in 1951 he was faced with a task that required intensive research into certain types of building materials. It took him three months. The firms he wanted to see were scattered all over Toronto, in some cases, all over Ontario. It was then the idea of centralizing the industry, of bringing building material suppliers all together in one location, first occurred to him.

Months and years of study and research, careful feeling-out of the market, bouncing the idea around from one sounding board to another, went on before the Centre could begin. Toward the end of last year, the general picture began to clarify. Financing was arranged, privately; a building was leased in Shuter Street, directly opposite Massey Hall in the heart of downtown Toronto. Offices were set up; salesmen were engaged; the name, Building Materials Display Centre Ltd., was chosen (and promptly shortened to The Building Centre); brochures and explanatory materials were conceived and printed.

By the end of February, 1955, the Building Centre was in business. In three months this has been achieved:

—Over 50 firms are participating;

—90 firms have indicated willingness to sign;

—100 firms are considering the plans and should be coming up with a decision within the month;

—Between 500 and 600 inquiries from interested firms are being processed.

Here is a representative list of firms, large and small, who are already in, chosen from various sections of the industry:

Abitibi Power & Paper Co., wallboard; Graham Bell* Ltd., porcelain enamel; Hills Structures of Canada, curtain walling; Roxalin of Canada, industrial and domestic paint; Camesco Lighting, industrial and office lighting; Minneapolis-Honeywell Regulator, electrical controls; Connolly Marble, Mosaic & Tile, tiling installations; B. Greening Wire Co., wire products; Canadian Compact Ladder, folding ladders; Okusa International Corp., vitreous china fixtures; A-K & Lippert Plastics, signs; F. B. McFarren Ltd., bricks; Aikenhead Hardware, industrial hardware; Interstate Building Products, brick, tile and block; Moeller Manufacturing Co., plumbing; Asphalt Services Ltd., asphalt products; Williams & Williams, windows and doors.

A number of associations have also indicated their intention of taking part in the enterprise. The Ontario Association of Architects have formed a special committee to assist and advise the Centre in matters of interest to the architects. Earle L. Sheppard has been named chairman of the committee, and members are John W. Weir, George Abram and R. G. Calvert.

The "Do It Yourself" Association will make full use of the Centre's facilities, holding demonstrations, shows and meetings in the various rooms available.

The Specification Writers' Association and the Ontario Plumbing & Heating Council are completing arrangements to hold their meetings at the Centre, and other organizations are negotiating.

Original plans have already been enlarged to include the three floors of an adjoining building, providing an extra 1,200 square feet on each floor.

A 17-point program has been worked out, laying down in detail the services and facilities the Centre will provide to the exhibiting firms, the industry and the public. They are:

—Promotion—an intensive and continuous program designed to make the Centre known to everyone as a source of information, education, inspiration.

—Internal promotion — continuous product shows within the Centre. From time to time the entire theme of the Centre will revolve round one particular section of the industry, e.g. electrical week, paint week, plumbing and heating week, lumber week, etc.

—Display — a chance to show the very best the suppliers have to offer, acquaint the industry and the public with new products, see and learn about existing products.

—Radio and TV — space is provided for radio and television studios — discussions are now under way with the CBC and other radio and television companies to broadcast direct from the Centre.

—Exhibitions and demonstrations — 9,000 sq. ft. of the basement set aside for shows such as: "Do It Yourself" exhibitions arranged and produced by the "Do It Yourself" Association; horticultural and landscaping shows; contemporary furniture and lighting show; architecture and building of today and tomorrow, etc.

—Association rooms — additional space set aside for group and association meetings.

—Sales meetings — space for monthly sales conferences, quarterly sales discussions, meetings for a special audience.

Salesmen's service — as an office for the out-of-town man (complete with desk, telephone, writing materials); as a place to bring the client to see, handle, appraise the product; as a place to catch up on the latest developments in the industry; as a rendezvous.

Secretarial service—competent stenographers will be available for dictation and typing of letters, preparation of contracts.

—Auditorium — for displays by professional and trade associations, foreign shows, lectures and demonstrations on research and development at home and abroad, work of architectural and building trades' students, etc.

—Booth manning — trained and competent personnel will look after all displays. Exhibitors' own staff is not required. Cleaning service is also provided.

—Link-up — with government and university research departments, foreign trade associations, with building markets at home and overseas.

—Information service — to answer all questions on trade, standards, tariffs, plans, technical data, new products and developments within the industry.

—Library — periodicals and publications relating to all aspects of the industry will be available for reading and study.

—Restaurant service available in all public rooms of the Centre at any time. Cocktail parties and banquets can be arranged.

—Lounge — specifically for the use of architects, contractors, manufacturers and their representatives.

—Direct contact — the major feature of the Centre — between the men who buy and use building materials and the men who make and sell them, between the industry and the public, between the student and the source of information.

There is no extra charge for any of these services — they are all included in the space charge. An exhibitor who takes a $10-a-month 2 ft. x 2 ft. wall space may use the services in the same way as one who takes a $250-a-month 4 ft. x 18 ft. floor space.

How is the industry generally taking to the new idea?

On the whole, enthusiastically. With the new idea, there are always the ultra-careful people who like to "see how it goes first." Building Centre salesmen are running up against a few of the latter type.

But the majority feel like Wesley Cutler, sales manager of the hardboard division of Abitibi Power & Paper Co. He regards the building Centre as a "progressive step."

"It's the same approach to acquainting the public with products," says Mr. Cutler. "Ordinarily, there's a lot of waste motion in trying to acquaint the end user with building products. Here the end user can see, examine and study the items. He can be kept up to date. The Centre is sensible."

Abitibi, one of the first companies to acquire space, plans to change the focal point of the exhibit once a month. It will display the newest items the company produces, aiming at interesting architects and contractors as well as the general public.

J. N. Davidson, managing director of Domex Co., says, "It's a wonderful chance to provide the industry with a central point to study the products of the many firms interested in building and construction — and for my own company to display examples of the jobs we have done."

A paint manufacturer commented: "Something like this has been needed in Canada for years. It's going to save everybody an awful lot of time and trouble — and really help the industry."

Space on the floor charts is gradually beginning to fill up, as more and more firms join the Centre, and more and more organizations wheel into line behind it.

The task of organizing the Centre is a big one, and is growing bigger all the time. The staff of the Centre, executive, sales and promotion are working all hours of the day and night, planning the program which they believe will bring in at least 500,000 visitors a year.

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This Raised Some Official Eyebrows

Insurance President's Deal Termed 'Improper, Improvident'

President Earl Putnam of Canada Health & Accident Assurance Corp., Waterloo, recently purchased on his own behalf a building, paying $15,000 cash and agreeing to annual payments of $11,094, including interest, for 20 years. He rented the building to the company for $13,625 a year, with higher rents payable as the company's premium income rises to various levels.

Correspondence between Superintendent of Insurance K. R. MacGregor, Ottawa, and Canada Health & Accident Corp., Waterloo, Ont., concerning the building (formerly owned by Dominion Life Assurance Co.) has been published in the recently issued "insurance blue book" — officially, the report of the Superintendent of Insurance for Canada for 1953, Volume I. Period of the published correspondence is from August, 1954, to January, 1955.

"The arrangements that have been made are improper on the part of the President (Earl Putnam) and improvident from the point of view of the Corporation" the Superintendent of Insurance writes. "Expanding business necessitates larger head office accommodation and the opportunity arose for the purchase of suitable premises at a reasonable price. However, instead of the Corporation acquiring the property in its own right, it was purchased personally by the President under an agreement of sale calling for a payment by him o $15,000 in cash and the remainder in equal monthly instalments (principal and interest) of $924.50 ($11,094 per annum) over a period of 20 years. The President, who also possesses a bare majority control of the Corporation s capital stock, then leased the property to the Corporation for a term of 10 years with the right of renewal for a similar period. The lease requires the Corporation to bear all running expenses, the same as though it were the owner, and to pay the President (as Lessor) a net rent which, by itself, is larger than necessary for the President to discharge his obligations to the former owner and thus larger also than would be required of the Corporation to purchase the property in its own right."

Canada Health & Accident Assurance Corp., Waterloo, Ont., changed its head office location last year, moving into an office building which its president had purchased on his own behalf. This arrangement became the subject of a lengthy exchange of letters between company officials and the Superintendent of Insurance, Ottawa. Among his other responsibilities, the Superintendent reviews insurance companies' affairs which affect policyholders; he may comment on them in his report to the Minister of Finance, but he is not empowered to oblige an insurance company to change its decisions unless they are in direct violation of the Insurance Act. Here are excerpts from the correspondence.

Mr. Putnam told The Post last week that no changes had been made in the rental arrangements for the building.

Following are excerpts from correspondence between Mr. MacGregor and various officials of Canada Health & Accident Assurance Corp. They include — Earl Putnam, president; W. J. Martin, vice-president; H. G. Law, director, and James Macdonald, treasurer (acting secretary).

The excerpt from Mr. Macdonald's letter of Jan. 28, 1955, to Mr. MacGregor is taken from a photostatic copy furnished to The Financial Post by the company; all other excerpts are taken from the Superintendent's report.

Putnam to MacGregor, Aug. 17, 1954:

"The growth of our business forced us to take some action in getting ourselves into a larger business block. We discovered it would cost us conservatively $11 per sq ft to put up a suitable building, with at least a minimum of 25,000 sq ft. The current rate per sq ft is $2 to $2.50-$3 in Kitchener or Waterloo, and then there are few spaces large enough to house our Company. The (ABC Company) buildings were for sale but at a price which I could not recommend our Company to make the purchase in its own right. I offered to the Board the opportunity of any one or group of the Directors to come forward to buy the building and lease it to our Company, otherwise I would be obliged to arrange my own financing to make the purchase of their group of buildings and lease the building back to Canada Health & Accident . . .

The space to be occupied by our Company will cost Canada Health & Accident, as far as we can see at the moment, about 91c per sq ft on an annual rental basis, so that it can be seen clearly that it is at a figure far beneath the rental prevailing rates in our district . . . We are assured by the real estate people of the district that the buildings presently occupied will be readily saleable at a figure as good or at an increase over our present book value. This means that when they are sold our Company will be in a more liquid position for Company statement purposes than we are presently where we own a portion of our assets in real estate.

I appreciate your desire to keep the Company's assets as liquid as possible. At the same time, it seems to me that the proposed arrangements might put the principal shareholder in a rather embarrassing position.

Martin to MacGregor, Sept 16, 1954:

The arrangements between Mr. Putnam and the (ABC Company) are not known to me beyond the purchase price of the buildings.

MacGregor to Putnam, Sept. 30, 1954:

As we see (the proposal) now it would be far more satisfactory if the Canada Health were to purchase the property in its own name.

Putnam to MacGregor, Oct. 4, 1954:

It is a bit late to expect to backtrack on what has already been honorably and properly handled . . .

The only criticism that might be advanced against my management decision on this whole matter would be that I did not submit any proposal to your department . . . First of all, I felt it was a decision that rested with management and the directors and secondly I recall discussing the matter, possibly three years ago, with . . . your deceased Inspector, asking him what proportion of the assets of an insurance company would be approved by your Department and he indicated that it should be under 5% and the cost of this (ABC Company) building is, therefore, substantially in excess of 10% of our assets and for no other reason I felt, and so recommended to the Directors, that we would have to find someone to build a building for us and rent it to us as we were not in a position to make this capital investment.

MacGregor to Putnam, Oct. 15:

I cannot escape the conclusion . . . that the transaction has been designed for your personal profit which very likely will be at the expense of the Company later . . .

The present or proposed lease, as I understand it, calls for the company to pay all running and maintenance expenses (the same as though it were the owner) and a minimum "net" rent to you that will seemingly be more than sufficient to pay for the property under the terms of your agreement with the former owner. Thus the Company would virtually buy the property for you . . .

I should not like anything that I may say to be interpreted as an encouragement to a company to invest anything more than a small proportion of its total funds in a head office property since our policy has always been to keep the proportion within modest limits. In the present instance, however, my understanding is that only $15,000, approximately, has been paid in cash under the sale agreement and this would constitute little more than 1% of the Company's total funds. If the remainder of the purchase price is paid over a period of 20 years it would seem that the total investment would never bulk very large in the Company's entire portfolio. I am sure that you would be justifiably disappointed if the Company does not continue to grow to the point where its total assets 20 years hence are not at least $3,000,000. On that basis, even if the investment still remained on the Company's books at $150,000, it would constitute 5% or less of the total funds . . .

I cannot recall any other instance — and I am sure there never has been one — where we have felt compelled to express the view that the company should purchase a particular head office property. Nevertheless in this instance it would seem to me to be far preferable to the existing arrangements.

MacGregor to Putnam, Nov. 8, 1954:

The Company would pay more, as tenant under the lease, than it would pay to purchase the property and the present arrangements would result in the Company buying the property for you personally, together with a substantial amount to spare, in your favor . . .

In our view, the present arrangements are very much against the best interests of the Company and cannot be justified on any proper grounds.

From minutes of CH&A Board's meeting, Nov. 24, 1954:

"If the Company had bought the building, subject to a substantial mortgage, the resultant liability would have an adverse influence on the Company's financial position in the light of Section 103 of the Insurance Act."

MacGregor to Putnam, Dec. 17, 1954:

The reasons given in support of the present arrangements are in my opinion completely without validity in the circumstances . . .

The effect of the present arrangements, as they stand, virtually means that the shareholders will throw away over the next 20 years an asset having a value equal to, or greater than, the entire paid capital of the company; and, of course, what would be their loss would be your personal gain. Although I have not mentioned it before, being a detail rather than one of the main factors, I am also of the opinion that it is quite indefensible in the circumstances to relate future rent under the lease to the volume of the Company's operations . . .

If the Company were to assume the sale agreement that you now hold, it would not only be faced with a reduced annual outlay but it could afford to carry its equity in the property at no value on its books, or at no more than the initial down payment of $15,000, and still present an improved balance sheet. Consequently, the attempt to justify what has been done on the grounds of a desire to keep the Company's funds in a liquid condition practically reduces to nonsense . . .

I am convinced, and hope you are now convinced, that the only right course is for you to divest yourself immediately of all personal interest in the property in question and to arrange for its acquisition directly by the Company. The present arrangements are, in my view, entirely indefensible and leave you open to the most severe criticism and censure. The situation is unique in our experience and is of a kind that should never arise in an insurance company or in any other company of good repute.

Law to MacGregor, Dec. 27, 1954:

I feel that your selection of phraseology . . . "practically reduces to nonsense" was rather unfortunate as you are casting a reflection not only on the writer but on the other directors with the suggestion that our abilities and our judgment have been reduced to a very low level . . .

I would respectfully suggest that you give me direct answers to the following questions:

1. As directors of the Canada Health & Accident Corporation are we not within our rights to decide on a policy of whether the company shall refrain from owning real estate?

2. . . . If we had leased a property from some of the other offerings at the higher figure would you have given your approval to this move?

3. You condone your attitude about this whole matter frequently referring to the "spirit" of the law. Would you consider had we taken the higher rental that we would be following a "spirit" which would be in the best interest of the policy holders and shareholders of the company?

. . . Your statement that you intend to publish all correspondence regarding this matter is probably the best suggestion contained in your lengthy letter . . .

MacGregor to Law, Dec. 31, 1954:

My feelings . . . about many features of your Company's operations . . . have stemmed solely from practices that we believed to be unsatisfactory having regard either for the provisions of the Act or for good insurance practice, or both.

First there was the misleading advertising campaign and design of policy forms, then the sale of the Company's furniture and equipment to a syndicate of the directors as a device to bring unadmitted assets into the balance sheet, then the attempt to rewrite policies on the Professional plan in order to eliminate their noncancellable feature, later the treatment of some claimants holding policies on this plan, and now the improvident head office arrangements which will greatly benefit the President personally.

I am sorry that my use of the word "nonsense" . . should have given you any offence but it seemed to me to be the only appropriate way to describe the argument that it is better for the Company to refuse than to accept ownership of the property even though the full purchase price (and more) will be paid by the Company during the next 20 years as rent to the President; this is tantamount to contending that in order to keep the Company's funds liquid it is better for the Company to buy the property for the President than for itself . . .

With respect to the several

(Continued on page 15)

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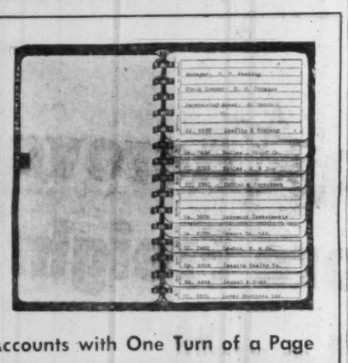

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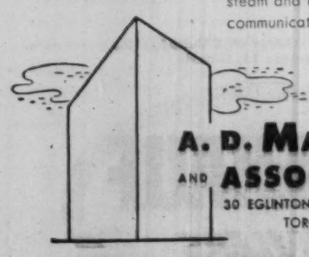

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NEW ISSUES

North Canadian Oils Limited

(Incorporated under the laws of the Province of Alberta)

$3,500,000

5% General Mortgage Sinking Fund Bonds
Carrying Stock Purchase Warrants

To be dated June 1, 1955 — To mature June 1, 1975

Sinking Fund

The Company will covenant in the Deed of Trust and Mortgage securing the General Mortgage Bonds to provide a Sinking Fund commencing in 1960 by payment of amounts to the Trustee on or before June 1, in each of the years 1960 to 1974 inclusive sufficient to redeem all of the Bonds by maturity.

Stock Purchase Warrants

The 5% General Mortgage Sinking Fund Bonds will carry Stock Purchase Warrants entitling the holders thereof to purchase Common Shares in the capital stock of the Company on the basis of 40 of such shares as presently constituted for each $1,000 principal amount of Bonds (or 20 of such shares as presently constituted for each $500 principal amount of Bonds) at a price of $5.50 per share up to and including June 1, 1960 and thereafter at the price of $7.50 per share up to and including June 1, 1965.

Price: 100 and accrued interest

$2,500,000
(50,000 Shares)

5½% Cumulative Redeemable Sinking Fund Preferred Shares
(Par Value $50 per share)

Sinking Fund

The Company will set aside on or before June 1 in each year commencing with the year 1960 a sufficient amount to redeem $100,000 par value of 5½% Cumulative Redeemable Sinking Fund Preferred Shares at the redemption price prevailing immediately following such date, which amount shall be used in the purchase or redemption of 5½% Cumulative Redeemable Sinking Fund Preferred Shares.

The Company has applied for the listing of these Preferred Shares on The Toronto Stock Exchange

Price: $50 per share
With bonus of 2 Common Shares for each Preferred Share
Dividends on these shares will be cumulative from and including June 2, 1957

The Company

North Canadian Oils Limited, incorporated in 1947, was originally engaged in exploration and development of oil and gas properties. It now proposes jointly with St. Regis Paper Company, one of the larger paper companies in the United States, to engage in the financing of a pulp mill (North Western Pulp & Power Ltd.) to be located at Hinton, Alberta. The mill will be constructed and operated, and its product sold, by the St. Regis organization. North Canadian Oils Limited have also contracted to supply sufficient amounts of natural gas for the fuel and power requirements of the mill and for this purpose will build a pipe line from Wabamun to Hinton, Alberta.

We, as principals, offer these Bonds and Preferred Shares, subject to prior sale and change in price, if, as and when issued by North Canadian Oils Limited and accepted by us and subject to the approval of all legal matters on our behalf by Messrs. Borden, Elliot, Kelley, Palmer & Sankey, Toronto, Ontario, and on behalf of the Company by Messrs. Allen, MacKimmie, Matthews & Wood, Calgary, Alberta, upon whose opinion our Counsel will rely as to various matters relating to the Company and to local law in Alberta.

A copy of each prospectus, which has been filed with the Registrar of Joint Stock Companies, Alberta, will be sent upon request.

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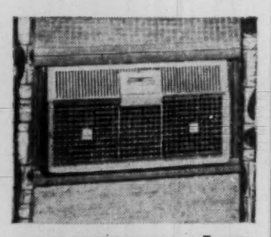

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5522

Progress Brings Problems to West

Mechanization Turns Over Economic and Social Life

By PROF. W. B. BAKER

The impact of mechanization is rapidly and radically altering Canada's prairie farm economy. More than ever, the West is a land of large-scale, low unit cost agriculture. This means snowballing social, political and economic problems. A great debate today rages about what can or should be done to solve them. One of Canada's best informed men on these subjects is lanky, friendly Prof. William B. Baker of the University of Saskatchewan, chairman of his province's Royal Commission on Agriculture and Rural Life. The Commission is presenting an exhaustive, 15-volume report. Baker's views apply primarily in Saskatchewan, also are relevant for Alberta and Manitoba. This is a digest of a Baker speech to Saskatchewan Homemakers' Clubs convention.

This has been the effect of new economic and technological forces:

Larger farms, greater volume of production, lower labor requirements, lower per acre costs, higher per acre incomes . . . for those who could adjust to the emerging trend. Perhaps half of our farmers have made a successful transition to mechanized and commercialized agriculture. The other half remain suspended between the old and the new. What does the future hold for those who remain suspended? This is a question we cannot avoid.

Instead of the anticipated steady increase in farm population and densely settled communities, the 1930s and subsequent mechanization brought farm population numbers tumbling down and the trend is still there.

Larger farms and fewer farm families with sounder family sized production units have drastically altered the original pattern of farm residence. Vacant homes came to dot the landscape. This together with the movement of families into permanent village and town residence and the increased mobility permitted by the automobile began slowly to alter the pioneer neighborhood, trade, institutional, and community pattern. Country stores and churches, one-roomed schools, and nine-township municipalities well adapted to the circumstances of an earlier era began to feel the pinch.

But this is only one side of the story. The other side is that as farm families were able to adjust to mechanized and commercialized farming, as they came into contact with urban standards of living through radio, newspaper, and automobile, a new conception of the good life began to take root. Why should the farm family not have the home conveniences of the city? Why should farm children be deprived of high school education, particularly if they were to seek urban employment? Why not enjoy modern standards of health service? Does modern transportation not make imperative a system of all-weather rural roads? These and other questions began to exert an influence on rural thinking.

Influences of the Future

In examining trends in agriculture it is apparent that the mechanization and commercialization process will continue to influence farm size changes. Some 50% of our farms are quarter and half section units undersupplied with capital. They will continue to sharply decline in number in all areas of the province.

Since part-ownership is associated with mechanization, the proportion of full owners will continue to decrease. Farm costs will continue to rise and will be relatively inflexible while farm income fluctuations will remain due to weather and market uncertainty.

Since we are almost at the end of new land resources, greater attention will be given to intensification which may offset further farm size increases. Livestock production will become increasingly important if rapid growth in the nation's population continues and the national economy expands with further improvements in income distribution. Irrigation will bring important advantages to the province but will not drastically alter the prevailing pattern. Farm electrification will come to almost all homes. The mechanization of livestock production will become practical and this in turn will lead to larger herds and a tendency toward specialized management.

Trends in rural life will also be further accentuated by the changes in agriculture. Farm population will continue to decline because quarter and half section farms will be hard pressed, and also because mechanization will further decrease labor requirements on farms already mechanized. Fifty per cent or more of farm youths will leave the farms for urban employment largely outside of the Province of Saskatchewan.

Public Services

The farm residence pattern will become more haphazard and create serious problems in the location and cost of rural public services. A village form of farm residence may emerge in the grain growing regions.

Where livestock production is important increased attention will be given to a line form of settlement but this adjustment will emerge slowly and painfully. One-roomed country schools will continue to close and a new system of centralized schools will be established centred in the villages and towns of the province.

A rural all-weather road system will become increasingly important but will not be realized without strengthening the municipal system through fundamental changes. Larger trade centres will continue to expand in population and will provide a widening range of high quality merchandising and specialized services. The smaller trade centres will not disappear but will provide more limited services. At the same time they will assume important social and convenience functions.

These are the trends which emerge clearly from an analysis of the process of transition in Saskatchewan. They have been confirmed in an examination of trends throughout the Great Plains. From these trends we are able to see the broad outlines of the future pattern of agriculture and rural life; larger family farms, expanded units of rural administration, larger trade centred communities. No one who honestly examines the available information can draw any conclusion other than that the new society is the result of a fundamental transformation in the meaning of agriculture and rural life. These seem to be the cold and objective facts.

In the light of the evidence we must decide whether our minds will remain closed to the emerging new society so that it comes as a newborn child which we grudgingly accept not because we want it but because we seem to have little choice. As with the rejected child whose personality may be warped and insecure, so also may our new society fail to achieve that balance and vitality which reflects a mature development.

We know that at least one half of our farmers are in a chronically depressed income position, and that if the forces of economic competition have their way most of them will either be forced to leave their farms or exist on subsistence incomes. The ideal goal is to keep the maximum number of family sized farms that will provide reasonable levels of income.

We know that our rural young people are going to have to migrate to urban occupations in increasing numbers. Do we give way to our sentiments and reject this trend and proceed to educate our young people to stay on the land knowing that this invites tragedy when they later realize they will not be able to find an opportunity in agriculture? Or do we accept the trend and turn our attention to building an educational system which will adequately prepare them for their urban future? It means that we can no longer accept the truly tragic fact that hardly more than one third of our rural youth complete high school.

We know that we have one of the most expensive residence patterns imaginable and that population shifts are making it increasingly expensive from the standpoint of modern public services. Do we passively accept this fact and continue to eliminate our small farmers, move our residences into village or town, leaving behind those who are unable to afford to move? Or do we begin to study the local residence pattern to determine what economies are possible so that the general welfare shall not suffer?

We know that population declines, the automobile, and the higher service standards of a technological society are creating realistic pressures for the reorganization of rural public services whether in the building of all-weather rural roads, modern schools, health facilities, agricultural extension, or social welfare. How can we develop new administrative units which have economies of size, yet at the same time retain that essential element of local control which is the basis of self-government?

Maclean's Celebrates the

Saskatchewan 1905 Alberta 1955

GOLDEN JUBILEE

This year marks the 50th anniversary of the provinces of Alberta and Saskatchewan. To celebrate this occasion Maclean's devotes its entire June 25 issue to their exciting history, past and present.

The Land of Eternal Change

A report on the Jubilee provinces in words and seven pages of oil paintings by Maclean's editor, Ralph Allen, and cover artist Franklin Arbuckle.

The Settling of the West

Seven pages of rare photographs have been uncovered in the dusty archives of the west and bound together in this anniversary album to show a strangely turbulent and tender love affair—the union of a very young people with a very ancient land.

These are Saskatchewan camels, circa fifteen million BC. They grazed on the prairies in the days before the ice ages.

You'll meet them as bit-players in the billion-year-old scientific drama, How the Prairies Were Made, by Fred Bodsworth, with four page-size paintings of pre-historic times by Bruce Johnson.

AND ALSO IN THIS ISSUE OF MACLEAN'S

• BLAIR FRASER reports on the politics and politicians that keep the west in the news • ROBERT COLLINS asks What Would the West Be Like Without the Gopher?...or without the Calgary Stampede?

Plus all regular features as Maclean's pays tribute to The Alberta-Saskatchewan Jubilee.

June 25 issue MACLEAN'S on sale now at your newsstand

A MACLEAN-HUNTER PUBLICATION

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Mining

HUGH-PAM PORCUPINE MINES reports a $12,711 1954 net profit compared with $31,087 a year earlier.

Extension of the Reef shaft to below 2,000 ft. in depth during 1954, will enable exploration of the Hugh-Pam mine on three additional levels, President R. A. Cranston points out.

No estimate is made of ore reserves.

Early in 1955, Hugh-Pam took a participation with other mining companies in financing two base metal properties in the Chibougamau area of Quebec. A 5% participation was taken in financing of Copper Cliff Consolidated Mining Corp. through purchase of 20,000 shares at 75c with options secured on additional shares. A 20% interest was taken in financing Royran Gold Fields through purchase of 60,000 shares at 10c a share with options secured on an additional 200,000 shares.

INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Bullion Production	$359,114	$345,073
Less: Mkt. exp.	2,932	2,346
Expends., Broulan Reef:		
Oper. exps.	335,636	244,018
Taxes	833	834
Use of Reef pl. & equip.	47,888	29,948
Hugh-Pam oper. expends.	4,215	5,326
Net operating profit	432,416	62,606
Add: Cost-aid	59,515	.....
Less: Portion due Broulan under oper. agr.	14,094	30,569
Mining tax	300	950
Net profit	17,711	31,087
Less: Divds.	79,988	.....
Surplus for year	467,277	31,087
‡Loss or deficit.		

Earnings per Share and Dividend Record:

Common: Earned	$0.003	$0.006
Paid	10.02	.....

‡Initial divd. pd. Feb. 12.

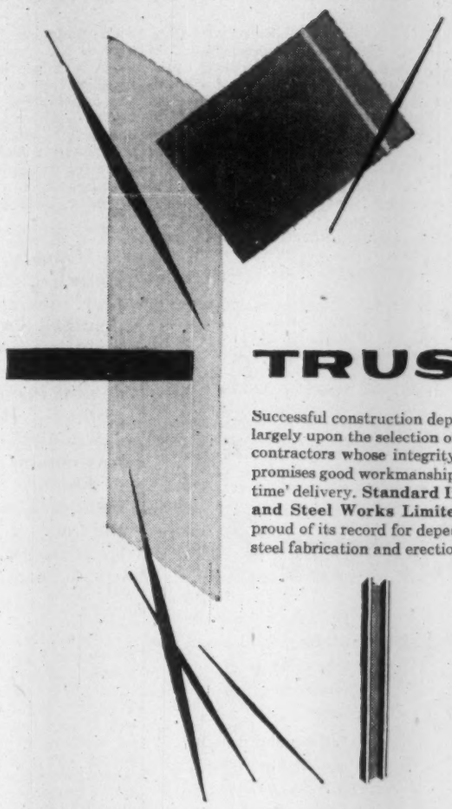
CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$43,022	$65,477
Cost-aid rec.	25,929	.....
Broulan Reef re oper. agr.	.....	37,363
Total curr. assets	68,951	102,840
Deferred devel.	226,564	226,564
Min. properties	1,663,500	1,663,500
Total assets	1,959,015	1,992,904
Accounts pay.	.....	.....
Due Broulan Reef	7,519	.....
Mining tax pay.	343	955
Total curr. liab.	7,862	955
Capital stock*	1,951,540	1,925,060
Earned surplus	‡387	66,889
*After disc. of	2,047,859	1,941,940
‡Deficit.		
Working capital	61,089	101,885

OPERATING STATISTICS

	1954	‡1953
Tons milled	37,273	42,625
Aver. recovery	$6.27	$6.09

‡Production affected by Broulan strike July 11 to Sept. 3.



TRUST

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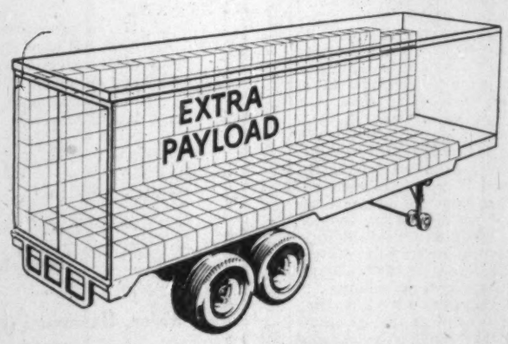

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ANYBODY WITH A PRODUCT TO HAUL can increase the profits in his business by the simple expedient of reducing shipping costs.

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Each of them, because of its progressive new design, will be carrying up to 35% more freight per load than equally large units of older design. This is why many Canadian businesses will be reducing distribution costs substantially in 1955—and you can do it too!

The fact is, there aren't many ways left to hold costs down—and if you can do so by using Volume★Aerovans, think of the *competitive advantage.* At the very least, investigate—it may mean a totally new outlook for *your* business in the years ahead.

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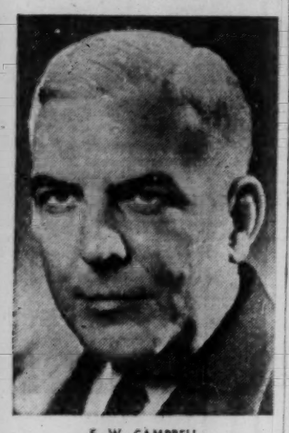
ANNOUNCEMENT



E. W. CAMPBELL

BOARD OF DIRECTORS of Crown Zellerbach Canada Limited has elected Edward W. Campbell, of Vancouver, vice-president of industrial relations, it is announced today. The appointment is effective immediately. Mr. Campbell has been personnel director of the company. Raised in North Vancouver, Mr. Campbell, 52, has been prominent in industrial personnel administration in British Columbia for many years. He was labor relations officer for Consolidated Mining and Smelting Co. Ltd., prior to joining Pacific Mills Ltd., now Crown Zellerbach Canada Limited, in 1946. Mr. Campbell's responsibilities will include the administration of industrial relations of Crown Zellerbach Canada Limited and its subsidiary companies; Canadian Western Lumber Company Limited, an affiliated company, and its subsidiaries; and the Elk Falls Company Limited, also an affiliated company.

Here Are Latest Prospects For New Industry In West

REGINA (Staff) — Both the Manitoba and Saskatchewan Governments talk a lot about industrialization. It's no doubt partly the attempt to keep up with the Joneses in Alberta. It's also a realization—here even more than in Manitoba, which is much more diversified—how much easier life would be if the province were less dependent on the vagaries of the crop.

In both provinces the promoters of new enterprise often meet a high degree of scepticism from established business and general public. The sceptics may be right; but Manitoba and Saskatchewan both have some prospects for important new industries which, if they come to fruition, may help to change the perspective.

Here are some of the current "gleams in the eye"—progeny still uncertain, but possibilities which need consideration:

In Manitoba, plans are progressing for the establishment of a fertilizer plant near Winnipeg, which would mean big business, primarily for export to the United States.

Involved are: a new German process for producing a fertilizer said to have many advantages over existing types; use of natural gas from Alberta, piped to Winnipeg; potash from Saskatchewan; sulphates from the Gulf of Mexico.

All these would meet in Winnipeg, which has been determined to be the most economical manufacturing point in spite of considerable rail haulage both for materials and for finished product.

If the dream turns into reality, it would mean a $25 million plant in Winnipeg and the equivalent of a full trainload per day going out to markets in the U. S. mid-west, and in Eastern Canada as well as to Prairie farmers.

The Manitoba Government is also working on surveys, made by Arthur D. Little Inc., Cambridge, Mass., of industrial opportunities which promise to be economic. They have selected two fields as most promising—light metalworking industries, and new industries serving the farmer or using his products.

Reports of the Little company on these two surveys are issued in Winnipeg by the Department of Trade and Industry.

In Saskatchewan, the most interesting prospect is for a pipe-mill in Regina.

The big integrated steel works of the German firm Herschewerke are sponsors of the project, and they have gone so far as to take an option on land on the outskirts of this peaceful Prairie city.

It is understood here that application is being made to the West German Government for permission to export the necessary capital.

Planned is a mill to produce pipe of between 4 and 12 inches diameter, both for gas distribution systems and for oil-well casing. Choice of Regina results from its central position in the potential market for such pipe. It is argued that finished pipe is so much more difficult to move than its raw components that the pipe-rolling mill should be as near as possible to the place where it will be used.

The flat steel ready for rolling would, according to plan, be shipped in from Europe via Hudson Bay; or as an alternative it might be bought in the U. S.

The necessary fuel could come from Saskatchewan's cheap lignites, or conceivably in the future from natural gas.

Saskatchewan is also excited about the development of its potash deposits. Potash Corp. of America is now trying to open up a shaft to deposits which are inconveniently deep but of good quality. At least three other corporations also have plans for developing potash deposits. Once the technical problems of getting the potash out are resolved this could become a considerable industry.

Nickel Plate Mine Closes in August

From Our Own Correspondent

VANCOUVER — Nickel Plate mine, one of Canada's oldest operating gold mines, will shut down in mid-August when current ore reserves are exhausted.

George Mill, general manager of Kelowna Mines Hedley Ltd., owners of Nickel Plate, said that further operations would be economically unfeasible.

The mine, discovered at the 4,000-foot level of a mountain overlooking Princeton, 200 miles east of Vancouver, was discovered in 1898 and came under control of the present owners in 1951.

At peak production, it employed more than 250 miners but in the past year, the force was cut to about 100.

With the passing of Nickel Plate, British Columbia will have only three gold mines in production.

New Chemical Plants to Cost $20 Millions

Official confirmation was given this week of two large-scale chemical plant construction programs, earlier reported by The Financial Post.

Hooker Chemicals Ltd., Niagara Falls, N.Y., will build an $11 million chlorine - caustic soda plant on a 75-acre site across the harbor from Vancouver, and Canadian Industries (1954) Ltd. will build a $9 million ammonia plant at Millhaven, Ont.

The chlorine-caustic soda plant will be the first on the West Coast, and production is scheduled to begin early in 1957. Big market outlets will be the fast-growing B.C. pulp and paper industry, oil refineries and chemical plants. Salt, the chief raw material, will be unloaded from overseas freighters at a nearby dock. A half-mile spur line will be built into the property. Plant will employ 100 workers.

Hooker Chemicals has already been supplying the West Coast market for some years chiefly from its Tacoma, Wash., plant.

Construction of the C-I-L (1954) anhydrous ammonia plant will begin immediately with completion scheduled for late next summer. Capacity will be 200 tons of ammonia per day, which will make it the largest such plant in Eastern Canada and able to meet C-I-L needs and those of other consumers.

The plant will require a staff of some 100 employees and will cover 20 acres adjacent to the company's Terylene plant, which is just starting production of the first Canadian-made polyester fibres. Fuel oil is planned as the raw material for the C-I-L operation but natural gas can be used if available.

Coincident with building of the ammonia plant at Millhaven will be the expansion of C-I-L (1954) facilities at Beloeil, Que., to manufacture ammonia solutions for use in agriculture. Raw material will be ammonia from the new plant. Principal uses of ammonia are in manufacture of agricultural chemicals, explosives, nylon, sulphite pulp, miscellaneous chemicals, and for refrigeration.

Recent developments in application of ammonia for industry indicate increased requirements for sulphite pulp, ore extraction, for manufacture of petroleum catalysts, and, possibly for production of thanolamines, cyanides, acrylonitrile, and urea.

Staff Changes

Nova Scotia:
E. J. LeBLANC, accountant, Maxville, Ont., to be accountant, Lachute, Que.
C. B. McMACKIN, to be accountant, Tatamagouche, N.S.
J. F. O'BRIEN, to be an assistant accountant, Calgary, Alta.

This Raised Some Eyebrows At Insurance Headquarters

(Continued from page 13)

numbered questions you raise, I would answer them briefly as follows:

1. Yes, but I think the onus is on the directors to justify beyond any shadow of doubt an arrangement involving the President that appears to be very improvident from the Company's point of view and personally beneficial to the President.

2. It would be confusing to answer this hypothetical question directly because if (sic) falls far short of the main question. Naturally, there could hardly be any difference of opinion whether a more expensive lease should be avoided . . .

3. This question again assumes that there was no alternative between a more costly lease and the one that was made with the President. I would not consider it to be in the best interest of the policyholders and shareholders of any company to choose either of the courses mentioned when a better one was clearly open. May I respectfully say that reference to the spirit of the law was not made with any thought of "condoning" my attitude. However, we have always regarded it to be just as important to observe the evident principle underlying a law as the letter of the law itself. Frequently, many matters are not specifically covered by legislation and one has to rely on principles for guidance.

Law to MacGregor, Jan. 11, 1955:

. . . In the matter of personal ownership of real estate involving this type of investment, I would not myself wish to commit my personal estate to realty holdings to the value of approximately $180,000 as Mr. Putnam has done. If Mr. Putnam had sought my advice in this regard, knowing the limited use to which this building could be put, having regard to the length of time required before a clear title could be obtained and further having regard to the possibility of death occurring while this liability would still be in existence and the added drain on the estate from a succession duty standpoint, I would have definitely advised him against it. This is entirely a decision to be reached from a personal angle and I fail to see how this aspect could enter into any decisions arrived at by you regarding the company's position or the position of the shareholders.

MacGregor to Law, Jan. 20, 1955:

. . . I think the essential point is that the present arrangements are not the most advantageous available to the Company and this has been caused by the intervention of the President. It seems reasonable to assume that they are advantageous to the President since otherwise they would presumably not have been made. But whether they may prove to be advantageous or disadvantageous to him would seem only to provide additional reason in either case for avoiding them. If advantageous, they would be unsatisfactory to the Company; if disadvantageous, they would be unsatisfactory to him.

Macdonald to MacGregor, Jan. 28, 1955:

Senator John T. Haig, Q.C., the Corporation's solicitor for the Province of Manitoba, and Mr. K. H. Dunn, C.A., the Corporation's auditor, attended the meeting (of directors on Jan. 28) at the request of the Board.

After being advised by Senator Haig that the arrangement as to renting the premises is, in his opinion, reasonable, proper and not contrary to Law, and also that in view of the present financial position of the Corporation Senator Haig is definitely of the opinion, as a lawyer and a business man, that the Corporation is not in a position to buy the property and should not do so, the following resolution was passed:

"Inasmuch as the present arrangement affords the Corporation occupancy at a reasonable rental and despite the fact that Mr. Putnam had offered to transfer the building to the Corporation, the Board is of the opinion that it would be imprudent for the Corporation to incur such a large contingent liability in real estate at the present time. The Board feels the matter could be reviewed at a future date in the light of the Corporation's financial situation at that time."

Somewhere there's a factory
(we don't know where)
with a production bottleneck
(we don't know how it started)
that's depressing the board members
(they're strangers to us)
which an efficient source of forgings could cure
(that's something we do know about)

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If you package any product that needs an hermetic re-seal, you'll probably snap up this idea.

Our new snap tight can changes a lot of ideas about packaging jams and other foods that are kept for day-to-day use. Easier to open than any hermetically sealed can. Reseals air tight. Lip is easier to wipe clean. Top-to-bottom label makes powerful display. Ask your Canco representative for all the facts.

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Ethics, Education Highlight Year's IDAC Activities

High ethical standards in the investment business and acquainting the public in the value and significance of investing their money are two of the major aims of the Investment Dealers' Association of Canada. This week at the association's 39th annual meeting at Murray Bay, Quebec, chairmen of the six regional districts of the IDAC reported on activities of the past year. Here are digests:

Pacific District

B. C. SAMIS — Samis & Co. Ltd., Vancouver.

The inauguration this year of an oral expression course and panel discussion groups are items which we feel should be developed and continued. On Oct. 1, it is expected that our association film will be ready for showing. This represents a major expenditure on the part of the association and a great deal of effort will go into the manner of its debut and later showing.

Our market has grown considerably in stature in this district as witnessed by the various local underwritings of this past year. The planned industrial growth of the area will mean increased opportunities for public financing.

The year 1954 was a little more active one for provincial legislation committee than the past years. We were called on about five times. With one exception, the calls were from members complaining about supposedly unethical practices by Eastern promotional houses in this vicinity.

One important request from the committee was to endeavor to have the word "Associations" included in the application and registration form under the Securities Act. Paragraph 8 calls for a statement by the applicant as to his memberships in Stock Exchanges. It was felt that paragraph 8 should include, in addition to the Stock Exchanges, the Associations to which the applicant belonged. On checking this matter, it appears that an amendment would have to be made to the B.C. Securities Act to have the word "Associations" included in paragraph 8. Subsequently, a letter has been written to the Superintendent of Brokers requesting that the next time any changes are made in the Securities Act that paragraph 8 include "Associations."

The committee again joined forces with Victoria College and developed and supervised a seven lecture Investment Course.

The "Investments & Security Analysis" course, an option course for fifth year University of British Columbia commerce students having prerequisites in accounting, had an enrollment of 34 out of 80 in the class. As in the past, members of our association have assisted by giving lectures.

The enrollment 1954-55 in the correspondence course, "How to Invest Your Money," so far is 37, compared with fifty-five in 1953-54 when it was first offered. Once again Dr. J. E. A. Kania of Pemberton Securities Ltd. has given his series of five lectures on "You and the Stock Market — How to Invest Your Money." The class this year had 51 students. For the first time, a course in elementary security analysis was presented (a series of eight lectures and a panel discussion).

In the Internal Division of the Education Committee 30 new students are taking Course I, and another six are carry-overs from last year. Seventeen are taking Course II for the first time, and in addition nine are carry-overs from last year. The Course now includes a section covering the highlights of the B.C. Securities Act. Two public panel discussion groups were held covering the field of succession duties, income tax and life insurance. About 75 attended each of the meetings. Six speeches were made before various groups.

The public relations committee distributed 480 additional copies of the association booklet "To Help You Share in Canada's Growth." Some discussions were held regarding the question of advising members of the names of persons not considered desirable to deal with for various reasons — one or two incidents have occurred where dealers have taken losses when contracts have not been honored. This subject might be studied further by the incoming committee.

We were directed to report on District Regulations regarding By-Law 8A dealing with segregation of Clients Balances. We were able to report that in our District it is entirely at the discretion of each member:

1. Whether Funds held in Trust (Clients' Balances) are retained in a separate Bank Account or combined with dealers own Corporate Funds.

2. Whether or not Interest is paid on Clients' Balances.

3. Whether these balances are held on the books unless requested by the client, or automatically remitted.

This Regulation differs from some other districts, such as Ontario, where separate accounts are required.

The new form covering application for membership received considerable study and the difficulties facing the National Committe in arriving at an agreement on any rigid qualifications were recognized. The one contentious factor is, of course, embodied in Clause 8 (b), which attempts to establish, on a dollar volume basis, the type of business being carried on by the applicant. While we recognize the value, in a general way, that this information will provide, we do not believe that a rigid pattern for eligibility, on a nation-wide basis can be arrived at from any such ratio figures. For from the standpoint of our association, we do not believe there is any essential difference between a quality equity business and a business concentrated in fixed income securities. Furthermore, the ratios between these two types of business will change materially from time to time as a result of changes in money rates, tax concessions on equity income or from such intangibles as changes in the general attitude of the investing public. The geographical location of the applicants business could also have a decided bearing on the ratios between equity and bond business. In this connection, we are referring to such factors as proximity to insurance company head offices, etc. While we have no figures to substantiate this point, we would imagine that the ratios between the business carried on by Montreal and Vancouver members might be quite far apart. We have no quarrel with a close scrutiny being made of those firms whose business shows a substantial volume in unlisted mining securities.

In view of the difficulties any rigid pattern presents, it is our belief that within reasonable limits, this one contentious clause in the application form should be left elastic and that the recommendation of the various district committees to the National Committee should continue to be a deciding factor.

On April 25, we received a complaint from one of our members that the Greater Nanaimo Water District, having called for tenders from three syndicates, each including a chartered bank represented in the City of Nanaimo, had accepted the second highest tender which was 15c lower in price than could have been obtained by accepting the highest bid. Your committee has discussed this situation and feels this complaint should be thoroughly investigated and we are protesting it with the governing body of the Greater Nanaimo Water District and the Department of Municipal Affairs.

We feel that awarding bonds on this basis could have a demoralizing effect generally throughout our industry, as those tendering on issues would never know whether it was worthwhile to go to trouble to submit an intelligent tender.

Alberta District

E. M. DUGGAN—D. M. Duggan Investments Limited, Edmonton.

From 1905 to 1955, in Alberta:

—Population has risen from 166,000 to one million plus.

—Provincial budget has risen from $1,900,000 to $230 millions.

—Value of agricultural products has risen from $1,600,000 to $520 millions.

—Value of lumber production has risen from $800,000 to $18 millions.

—Value of petroleum production has risen from nil to $228 millions.

Although agriculture continues to lead all other industries the expansion of the potential oil and gas production in Alberta has been an outstanding development of the past year. Industrial development has been maintained at a healthy pace, 24 new industries, either completed or under construction during 1954 at an aggregate cost of some $48 millions. In 1954, 1,177 Alberta companies representing capital in excess of $93 millions were incorporated and 201 outside companies were registered with estimated expenditures of approximately $35 millions.

I believe the foregoing has, and will continue to be reflected in the condition of our own industry.

The Alberta Government recently enacted legislation whereby future financing for school districts and divisions will be done entirely by the Government, thus precluding further participating by members of our industry.

At the last session of the Alberta Legislative Assembly Bill No. 24, the Securities Act (1955) was passed and received Royal assent on April 6, 1955. This Act will come into force on a day to be fixed by proclamation of the Lieutenant - Governor-in-Council. Before the new Act becomes effective it will be necessary for the Government to select a commissioner or commissioners and personnel to staff the commission. We may therefore, expect some further delay before the Act is proclaimed.

While the Alberta Act differs in some essentials from both the Ontario and Saskatchewan Acts, in principle the general provisions are reasonably comparable, and I feel we have been granted most of the desirable features we sought.

In addition, the legislative committee made representations to the Provincial Government for a further amendment of the Trustee Act to include as trustee investments, debentures or securities, the payment of which is guaranteed as to principal and interest by any municipality of any province in Canada. No action was taken in this regard at the recently adjourned session of the Legislative Assembly.

Members should watch their advertising, although the rules and regulations concerning advertising are not too clear at this time. Probably new rules and regulations will be made under the Securities Act for 1955. The Securities Act for 1955 will require careful attention by our new Business Conduct Committee, and by members of the Alberta District of the I.D.A.C. There are particular sections concerning the delivering of prospectuses and confirmations, for example, that deserve attention. The new board of directors might collaborate with the Attorney General's Department of the Alberta Securities Commission when it is appointed and ready to formulate rules and regulations concerning our trading.

Evening lecture courses at a high school were discontinued last fall. Preliminary steps have already been taken to firm up an association with the University of Alberta. Only one student for each Course I and II will sit for the final examination in Edmonton. Three speaking engagements have been completed by the speakers panel.

A short course in investments was again held in Calgary, consisting of six lectures.

The attendance was considerably lower than the year before, approximately 60 people paying for the course. It would seem to me that the course in its present form should be discontinued in Calgary, in view of the attendance drop.

Mid-Western District

D. J. McDONALD—Osler, Hammond & Nanton Ltd., Winnipeg.

On the District level, an active program of public education has been undertaken, including lecture series at the University of Manitoba and speeches to 22 groups and service clubs.

Sixty-eight enrolled in an eve-

(Continued on page 17)

They Head Investment Dealer Districts for 1955-56

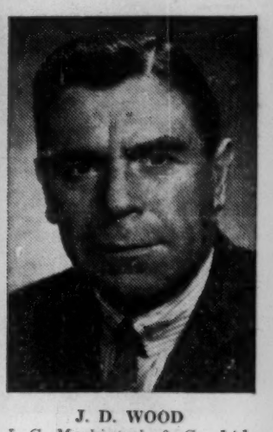
G. D. SHERWOOD
Thomas B. Read Co.
Vancouver
(Pacific District)

W. R. TAPRELL
Carlile & McCarthy Ltd.
Calgary
(Alberta District)

G. S. SWINDELL
Wood, Gundy & Co. Ltd.
Winnipeg
(Mid-Western District)

N. H. GUNN
Bell, Gouinlock & Co.
Toronto
(Ontario District)

E. F. C. KINNEAR
W. C. Pitfield & Co. Ltd.
Montreal
(Quebec District)



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J. C. Mackintosh & Co. Ltd.
Halifax
(Atlantic District)

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SHUTTLEWORTH
SUMMER STRAW HAT

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SALES OFFICES: New Glasgow, N.S.; Noranda, P.Q.; Winnipeg, Man.; Vancouver, B.C.

SOLD
UNDER THE HAMMER

This Can Happen To Your Business If Anything Happens To You!

IF you're the sole owner of your business, it's probably the main thing you'll leave to your widow or your heirs. But will they be able to carry on and make a success of it without your "know-how", your energy, your zeal — especially if they have money worries?

A FORCED SALE usually results in heavy loss to heirs. Your business might be sold at less than half its present value! The sound thing to do is to arrange adequate BUSINESS LIFE INSURANCE. This will solve the problem as far as your family is concerned and give you a growing asset for emergencies or retirement.

It may be that you do not wish your heirs to carry on the business. You can arrange an Agreement between yourself and your most valued employee, or employees for the purchase of the business. They obtain adequate insurance on your life to provide cash for the purchase of the business and payment of a fair price to your heirs.

A Mutual Life of Canada representative will be glad to arrange for a full discussion of how Business Life Insurance can solve your problems.

ML-23R-54

THE MUTUAL LIFE
ASSURANCE COMPANY OF CANADA
For Low Cost Life Insurance

"TCA services are superior to those on other flights I have made. The personal touch by all personnel is particularly impressive."
— *(British) Passenger Citation*
(Toronto to London)

"My sincere appreciation of the service, hospitality, goodwill, and general cheerfulness of the crew. As a traveller on several leading airlines I can't recall a flight that has been bettered."
— *(British) Passenger Citation*
(London to Montreal)

"I would feel it remiss if I did not tell you how efficiently and courteously we were treated by TCA when forced to disembark at Halifax harbour instead of New York.
— *(U.S.) Passenger Citation*
(Halifax to New York)

Here's a unit of TCA's coast-to-coast network for handling reservations. Local TCA offices are linked by teletype with master reservations control facilities.

"so much to say in praise of so many things"

. . . We travelled across Canada by Super Constellation and to New York return to Canada . . . We had every comfort and convenience possible . . . service carried out with courtesy, thoughtfulness and efficiency."
— *TCA Passenger Citation*

It takes equipment – plus a team to fly a million-and-a-half people a year

Moving the whole population of Greater Montreal or Greater Toronto *by air* would be a job of heroic proportions. Yet TCA will fly a similar number of passengers this year. (In 1954 it flew 1,438,349.)

Sure it means keeping abreast in the matter of equipment. TCA through its new Viscount fleet and new Super Constellations will provide 25% more passenger seats this year.

Yet an airline must think not simply of planes, but also of *people*. And not only flight personnel and ground crews — but the hundreds of skilled heads and hands needed to service TCA's 125 daily flights. All these people make up the TCA team . . . devoted to public service.

The generous appreciation of TCA passengers is a continual encouragement in our endeavour to provide the highest type of service. *We welcome critical comment, too.* If in any instance TCA service has failed to measure up to its standards, I would esteem it a real favour if you would write to me personally. Any such letter will be gratefully acknowledged.

W Gordon Wood

W. Gordon Wood,
Vice-President, Traffic, Montreal

TRANS-CANADA AIR LINES
PASSENGERS • AIR MAIL • AIR PARCEL POST • AIR EXPRESS • AIR FREIGHT

INVESTORS, Note:

Investment in automatic vending equipment can be lucrative . . . It can also prove a pig-in-the-poke to the inexperienced.

Don't spend a penny in this field till you've spoken to:—

GENERAL AUTOMATIC BEVERAGES Ltd.,
3571 Dundas St. W.,
Toronto
Phone MU. 7266

Ethics, Education Highlight Activities of IDAC

(Continued from page 16)

ning lecture course, up over the previous year. Eleven in Course I and 12 in Course II in the Winnipeg area.

With regard to the correspondence course, the association should come to some understanding with the University of Toronto. It is our understanding that the Investment Dealers' Association supplied the basic material to the University of Toronto who then printed it themselves at the university press. It is felt that in future the material should be withheld until assurance is given by the University of Toronto that they are prepared to supply other universities in Canada with the printed material at reasonable cost. If this is not satisfactory, it is recommended that the material be made available to each university so that they might be free to proceed and reproduce it on their own terms.

In Saskatchewan two persons enrolled in each of Courses I and II. Due to falling attendance in previous courses it was decided to not hold the public lecture course this season at Regina College.

In March, this year, the Business Conduct Committee received correspondence dealing with "bucket shop" operations in the City of Regina and unethical practices. It was decided to leave the matter in abeyance until such time when we received definite evidence of a specific case or cases where there has been a violation of the legislation, as laid down by the Securities Commission.

The Extension Department of the University of Manitoba ran a course in public speaking exclusively for our membership, under the direction of Professor Clark Hopper. A total of 21 members enrolled. Unless more interest can be stimulated, it is not recommended that the experiment be repeated.

Earlier in the year Bill No. 74 was presented to the Manitoba House to:

(a) Prohibit a salesman trading as a salesman other than on behalf of the registered broker by whom he is employed.

(b) Compel a salesman when trading for his own account to trade only with or through a registered broker or a bank, insurance company or trust company.

(c) Make it obligatory for a salesman to report immediately to his employer every trade he makes on behalf of his employer.

With regard to the Government re-assessment policy, a general raising of values throughout the province has been in the process for some years and it does appear that a proper equalization of both city and farm land values will be reached in the near future. This matter is of importance when the grants in aid of education are being calculated, since the province's assistance to the various school districts is based upon a formula which takes into consideration the balanced assessment of the school district.

As a result of the general rise in assessment figures throughout the province, there is some feeling that the formula used in the past for calculating school grants should be dispensed with and a more equitable method of arriving at the subsidy be put forth. It is our understanding that this matter is receiving the attention of the Municipal, Treasury and Educational Departments of the province.

During the year the province entered into new agreements with the school districts who were borrowing for capital purposes. The revised undertaking deletes the province's guarantee of interest of the debentures; substituted therefor is a "trustee" agreement entered into between the school district and the Department of Education which allows for the Department of Education to deduct from the educational grants to the school district an amount sufficient to ensure repayment of principal and interest of the debentures as they fall due each year.

Eight speeches were made by the Saskatchewan speakers' panel, 16 by the Manitoba panel.

Ontario District

N. H. GUNN—Bell, Gouinlock & Company Ltd., Toronto.

A great deal of time was spent by the executive committee, as a whole, on the problem of membership and approaches were made to the Quebec District with the hope that we might arrive at a certain degree of standardization.

During the year the Province of Ontario abolished a transfer tax on debentures issued by municipalities in the province.

No serious problems arose throughout the year in respect of legislation. A bill to amend the Corporation's Act 1953 was introduced in the Ontario Legislature. Our solicitor examined the bill and in his opinion it did not contain anything of special interest to the members of our association which would require any representations to be made by our committee.

The Municipal Act was amended to permit municipalities to issue term as well as serial debentures. This amendment gives more flexibility to municipalities in financing their capital requirements. Where such municipalities resort to term debenture financing, provision has been made for the establishment of sinking funds.

It was hoped that the Trustee Act in Ontario would be amended at the last Session of the Legislature to provide that securities issued or guaranteed by the International Bank for Reconstruction and Development would constitute authorized investments for trustees in the Province of Ontario. The Trustee Act, however, was not so amended.

On the other hand, the Loan and Trust Corporations Act of Ontario and the Corporations Act, 1953 of Ontario were amended so as to make these securities authorized investments for registered loan corporations, registered loaning land corporations, and insurance companies incorporated in Ontario. Also, a registered trust company may now invest its funds and moneys received for guaranteed investment or as deposits in these securities provided that at least one half of the moneys received by it for guaranteed investment or as deposits is invested in or loaned on trustee securities.

The balance of the copies of the booklet "How to Share in Canada's Growth," were distributed through speakers' panel engagements. There have been distributed in Ontario to date, approximately 41,000 copies of this booklet, by various means.

Authority was granted a committee to approach top level CBC officials at Ottawa in an effort to explore the possibilities of providing one or more programs of public interest on investment topics.

In the past year 57 speeches were given to various organizations, as compared to 45 in the previous year.

Enrollments in both education courses continued at a high level. Of 318 students enrolled in Course I, 161 or 50.6% were from the Ontario district. Of 221 students enrolled in Course II, 101 or 45.7% were from the Ontario district. A new section entitled "Pension Funds" was added to Course II. A new monograph describing the work of the bond trader will be in print by next autumn.

A sub-committee planned and carried out two successful meetings on merchandising securities. A recommendation regarding the provision of instruction on certain legal aspects of the investment business, has also been approved by the Ontario District Executive Committee.

Attendance at the University of Toronto Public Education Lecture Course rose sharply to 240, the McMaster University course to 230. The Ottawa Regional Committee sponsored a series of three lectures attended by 100 persons. The University of Toronto correspondence course had an enrollment of 705.

At our invitation Professor Leslie G. J. Wong of the School of Commerce, University of British Columbia, together with representatives of the Institute of Business Administration of the University of Toronto, spent six days visiting offices of our members, from May 16 to May 24.

With regard to the Ontario Government amendment to the Security Transfer Tax Act eliminating transfer tax on debentures issued by or guaranteed by Ontario municipalities or school boards, we reiterated our view that all sales of securities by investment dealers for their own account should be exempt from tax. We strongly recommend that the following committee make representation to the Government well in advance of the first meeting of the new Legislature.

Quebec District

GRAHAME G. JOHNSON — Credit Interprovincial Limitée, Montreal.

In March, C. P. Keeley (McLeod, Young, Weir & Co.) and I visited Quebec City, where we presented a brief on behalf of the association regarding the new Securities Act. I would like to thank Peter Kilburn, S. E. Nixon, Gerald Ryan, Stanley Kimber, A. R. Duffield, D. B. Creighton and J. A. Weldon for their counsel and assistance to the Executive Committee in formulating its recommendations in connection with the Act.

I would suggest that the incoming chairman of the Corporation Finance Committee of the Quebec Branch maintain very close liaison with the three Security Commissioners.

The association again sponsored a public lecture series in French at the University of Montreal which commenced Tuesday, Oct. 12, 1954. The attendance averaged about forty and although enrolment was down considerably this year, it was thought that the calibre of the personnel taking the course was higher. After consultation with Dr. Leon Lortie, it was decided that a more progressive advertising program should be attempted next year in order to increase enrolments at this university.

The Quebec City Group of the association again sponsored a public lecture series at Laval University commencing on Feb. 21, 1955 and consisting of seven weekly lectures. This was an expansion on last year's program which consisted of five weekly lectures. Registration this year amounted to 104.

The public lecture series at McGill this year again covered ten lectures commencing on Wednesday, Jan. 19, 1955. Registration exceeded expectations, amounting to 194. Attendance remained at a high level throughout the course, which indicates the popularity of the course and the quality of the instruction given.

Arrangements were made during the year for the courses in Corporation Finance and Investment Analysis at Sir George Williams College to be given in cooperation with the Investment Dealers' Association. The College has also been persuaded to expand their present courses in these two subjects by adding two additional half courses, thus providing a full college year of instruction in corporation finance as well as a full year in investment analysis.

The scheduled visit of university professors to a number of Montreal investment dealers, brokerage houses and to the Montreal and Canadian Stock Exchange, was carried out during the two weeks starting on Monday, May 9, 1955.

The Business Conduct Committee during the past year did not have any problems resulting from members not adhering to practices and rules laid down by the association. We did, however, find that a delay in the delivery of securities between various members and members and trust companies was causing some concern and we used our best efforts to correct this. Pressure of business appeared to be the main cause, and the situation is now better although not as yet on a normal basis.

Your committee co-operated with Rene T. Hebert, registrar of the Quebec Security Act in collecting information on bad and promotional selling of mining securities by certain firms and individuals having previously obtained a license to sell securities in the Province. Our findings together with investigation by Mr. Hebert's department resulted in the cancellation of a number of licences together with a closer liaison between our Association and the Registrar's Department.

The distribution of the booklet "To Help You Share in Canada's Growth" was aggressively pursued throughout the year by every method we could devise. At the present time there are on hand only 250 English and 635 French, against an original allotment of 5,000 English and 10,000 French. It would appear that this job is pretty well completed.

Atlantic District

F. C. FISCHER — Eastern Securities Co., Saint John, Nova Scotia:

During the year a new administrator for the Securities Act in this province was appointed, Mr. Dougald Sutherland. Your com-

(Continued on page 19)

you'll feel cooler in a SHUTTLEWORTH
SUMMER STRAW HAT

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NOW! NEW YORK LIFE'S NEW FAMILY INCOME PLAN

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Here's what it costs to include Family Income Coverage of $20 a month per $1000 in your basic policy . . . for 20 years.

Age of Issue	Additional Annual Premium
25	$ 8.74
30	11.18
35	14.92
40	20.68

Here's the extra protection the Family Income Plan gives your family with a $10,000 Policy:

$200 a month up to 20 years.

$10,000 Cash Payment at the End of 20 Years on basic policy.

If you are a family man with growing children you will be vitally interested in this new low cost way to increase their protection.

The new Family Income Plan can be attached to almost any New York Life policy of $2000 or more when issued . . . from ages 18 through 55. For every $1000 of the basic policy's face amount, you can select an income of either $10 or $20 a month payable to your family.

Should you die during the 20-year Family Income Period, the monthly payments would be made for the remainder of the 20 years. What's more, at the end of the 20th year, the basic policy's full face amount would also be paid to your family. If you live, you stop paying the small extra premium payment after 20 years . . . and still retain your basic life insurance protection.

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☐ Please send me without obligation full details of your new Family Life Insurance Plan.

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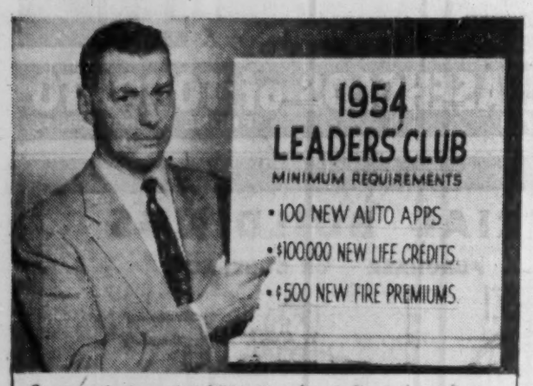
Canadian Head Office, 102 Eglinton Avenue East, Toronto, Ontario
Affiliate of State Farm Mutual Automobile Insurance Company and State Farm Fire and Casualty Company

VOL. 2 NO. 1 1st QUARTER, 1955

ELEVEN CANADIANS WIN TOP HONORS, JOIN STATE FARM "LEADERS' CLUB" AFTER FIRST MULTIPLE LINE YEAR!



Commenting on the 1954 "Leaders", Scott F. D. Taylor, C.L.U., Director of State Farm's Canadian Agency Force said:

"Since we only began writing the 'multiple line' last year, I'm mighty proud of the way those men exceeded minimum requirements. I see no reason why we shouldn't have an even bigger group of 'Leaders' this year."

Toronto, May 25, 1955: The first year they were eligible, six Canadian agents and five Canadian District Managers qualified for the State Farm Leaders' Club, it was announced here. They all accompanied Scott F. D. Taylor, C.L.U., to a recent "Leaders" convention in Baltimore.

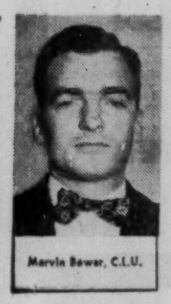
How agents qualified

Each agent achieved balanced production in all three of State Farm's lines, with a minimum of 100 new automobile insurance applications, $100,000 in paid new life insurance credits and $500 in fire premiums.

They were Larry Muldoon and Jimmy Rusling (Windsor), A. G. Francis (London), Glen Hartwig (Pembroke) and Harley Morton and Ben Enright (Toronto).

Managers eligible, too

District Managers who had one or more local agents qualifying for the Club also attended the Baltimore convention. They were Tom Muldoon (Windsor), Don Kipp (London), John Phillion (Hamilton) and W. J. Seabrook and Dick Fisher (Toronto).



Marvin Bower, C.L.U.

State Farm Life names New Canadian official

Bloomington, Illinois, May 1, 1955: Marvin Bower, C.L.U. was named to the staff of the Canadian Head Office of the State Farm Life Insurance Company. He will supervise administrative operations.

According to State Farm Life President Morris G. Fuller, C.L.U., this appointment was made to facilitate servicing the increasing life insurance business of State Farm's Canadian agency force, headed by Scott F. D. Taylor, C.L.U.

This is the sixth report in a series which will be published at regular intervals to acquaint you with facts of interest concerning State Farm Life Insurance Company. Additional information may be obtained by writing: Provincial Director, 1393 Yonge Street, Toronto, Ontario.

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When it's a problem of pipe, fittings, or valves—industrial or domestic—just call for EMCO.

A well stocked EMCO branch—equipped to meet all your requirements in these fields—is within quick-delivery distance of you. And it is staffed with trained and experienced engineers—ever at your service

Immediate delivery, of course. We know the importance of time on construction and replacement work. Prompt service is a matter of pride with EMCO—a matter of good business, too.

Write to-day for the new Emco booklet entitled "Emco—a good name to know"

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WANTED — GEOLOGICAL PERSONNEL

Experienced graduate geologists and junior geologists for well-established, aggressive exploration company for underground and exploration positions in various locations in Canada. Reply stating experience, availability, reference, marital status and salary desired to Forbes Jackson, c/o Stevenson & Scott Limited, 100 Adelaide St. West, Toronto, Ontario.

CONTROLLER

A well established, progressive financial institution in Winnipeg, administering assets in excess of $200,000,000, offers unusual opportunity to the gentleman who can qualify. Applicant should be a Chartered Accountant—30 to 45 years of age — with proven ability to get along with people. Confidential applications should provide full particulars of experience, present position, age, marital status and salary expected. A photograph would also be helpful.

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INTERNATIONAL TRADE OPPORTUNITY

WANTED by prominent foodstuff Company. Experienced salesman for Export work, who speaks Spanish and is willing to travel in Foreign Countries. Age 30 to 40. References required.

BOX 505, THE FINANCIAL POST, TORONTO.

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With specialized Work Study experience in Foundry, Machine Shop and Assembly type of operation. This is a senior staff position in multi plant operation. Assignments will include development and installation of major programs as well as development of procedures and personnel.

Applicants should have a degree in Engineering or Applied Science, age 28 to 35, and be capable of dealing with all levels of management.

Appointment to the position provides for a period of orientation and development.

Besides interesting work, opportunities for advancement and a salary commensurate with qualifications, Company paid benefits include Blue Cross and Windsor Medical Plans, liberal Life Insurance coverage, sickness policy, pension and vacation.

Reply by letter giving education and complete experience to:—

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Industrial Relations Division,

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. . . but who wants to go further, THE FINANCIAL POST, Canada's leading business and financial weekly, offers an outstanding and rewarding career.

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If you think you are the man who can fill this position, write a comprehensive letter about yourself, mentioning The Financial Post in your reply. If possible, please enclose a recent photograph of yourself. We shall, of course, respect your confidence.

AUSTIN A. WEAVER,
Advertising Manager,
THE FINANCIAL POST,
481 University Avenue, Toronto 2.

WANTED — STATISTICIANS

Promotions to important positions outside the department have created the following vacancies of special interest to experienced statisticians looking for enlarged opportunities in their chosen careers.

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This position calls for a degree in statistics or mathematics in addition to several years experience in statistical analysis. To qualify candidates must be competent to supervise the extraction and analysis of statistical data relating to the economic, accounting and operating aspects of the company's business. Knowledge of accounting practices is highly desirable as well as the imagination and logical turn of mind required to make sound deductions and practical proposals based on the examination and analysis of statistical material.

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A young B.A. or B.Com. graduate with honours in mathematics and three or more years experience in a medium-sized company will be attracted by this opening. He will be required to carry out statistical analysis with limited supervision and the position affords excellent training and promotional opportunities.

The above positions are offered by one of Canada's largest and most successful corporations; with both positions salary will be in keeping with the experience and abilities of the selected candidates. Applicants must be under forty years old and consideration will be given to any vacation plans the successful candidates may have completed. Applications containing all relevant details of education and experience should be addressed to

BOX 510, THE FINANCIAL POST, TORONTO

AVAILABLE TO MANAGEMENT QUALIFIED PURCHASING AGENT

With years of experience, local public relation problems, in conjunction with civic program entailing Highway Projects towards developing market and community welfare; presently employed as Purchasing Agent expending under five million dollars per annum; with IBM Inventory Control method. Young, qualified and experienced, wishing to join company whose object is profitable development, with remuneration commensurate with qualifications.
Best references available — But — Must be confidential.

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DOWN TO EARTH SELLING

Fourteen years selling two top national organizations . . . automotive . . . major appliances.

WISH TO ENLARGE SCOPE

Prompts the third and final change in my selling career. Would be interested only in major or expanding industry.

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For newly-formed Northwestern Ontario Development Association. To work under a Board of Directors in close association with local organizations and with municipal and provincial governments. Main responsibility to promote regional industrial development. Exceptional opportunity for active aggressive man to develop interesting career with good future. Confidential application with photograph to Box 990, Port Arthur, by July 15, 1955.

INDUSTRIAL ACCOUNTANT

Chartered Accountant with additional professional qualification in costing and business administration. Specialized knowledge of budgetary control and standard costing. Wide experience in industry. Seeks position, preferably in Ontario, with industrial or business concern or in profession where industrial experience can be utilized. Available now.

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Requires additional capital for feature film production to be completed in August. Distribution by major U.S.A. company. Same company produced last year prize-winning film now in general distribution by major U.S. studio.

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Qualified accountant capable of assuming duties of internal auditor with department store.

Apply stating age, experience, and salary requirements to the Controller,

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CAN I HELP?

Competent, energetic young man, 27, wide background in newspapers, freelance writing, public relations. Excellent references. Seeks opportunity where editorial know-how, initiative and ability to get along with people are important.

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The Financial Post, Toronto

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Well experienced personal loan executive with $10,000 capital seeks inactive partner (partners) with $40,000 to open small loan office in Ontario town. Good return assured with excellent growth possibilities.

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Judges Get Pay Boost

OTTAWA (Staff) — Thicker pay envelopes are on the way for Canada's 300 judges.

The Federal Government intends boosting the salaries of all Canadian judges by a flat $2,500. At present, a County Court Judge receives $8,000; associate justices in Provincial Supreme Courts get $14,400; the eight Associate Supreme Court of Canada Justices are paid $20,000; Chief Justices of the Provincial Supreme Courts and the President of the Exchequer Court of Canada receive $16,000, while Chief Justice Patrick Kerwin, of the Supreme Court of Canada tops the list with $25,000.

The new Government legislation also proposes to increase membership on the B. C. Court of Appeals and B. C. Supreme Court benches by one member each (to seven and 11 respectively) and to appoint a Superior Court judge for the Northwest Territories. No change in Federal pensions for judges is contemplated.

G. W. Gilmour Heads M-H Industrial Goup

George W. Gilmour has been appointed manager of Maclean-Hunter industrial newspapers group.

He joined the company in 1939, in 1951 was appointed advertising manager of Canadian Machinery.

Trend of Business

Department store sales up 7% from last year in week ending June 4. Quebec had biggest increase, 15%. Other gains: Alberta, 10%; Atlantic provinces, 10%; Ontario, 6%; Saskatchewan, 3%; Manitoba, 3%; British Columbia, 2%.

Housing units completed were 27% ahead of last year for month of April. Starts were up 4.5% for the month. Number of housing units under construction at beginning of May was 11% higher than year earlier.

Housing units completed this year to May 1 number 32,907 or 21% more than same time of last year. Housing units started totaled 21,933, or 7% more than last year. Completions were up in all provinces except Newfoundland, Prince Edward Island, Manitoba and Saskatchewan. Starts showed increases everywhere but Prince Edward Island, Quebec, Manitoba and Alberta.

Plywood boom continues: production this year to latest 34% ahead of last year, in square footage.

Butter production this year to June 1 is down 1% from last year; domestic disappearance is up 4% though.

Margarine output up till June 1 this year is leading last year's figure by 19%.

Mortgages held by banks now total $132 millions, as compared with none last year. Figure is climbing $2 millions-$4 millions a week as banks take up challenge of the new National Housing Act with enthusiasm.

Wholesale trade running 2% ahead of last year in latest monthly total. Inventories down 3%. Figures cover nine lines of trade. Sales increases were fruit and vegetable wholesalers, 8%; auto parts and equipment, 6%; groceries, 3%; tobacco and confectionery, 3%; footwear, 2%. Decreases: dry goods, 6%; clothing, 4.5%; drugs, 3%; hardware, 2%.

Steel ingot production this year to June 1 totals is 28% ahead of same time last year.

Fish and fishery products exported down 9% in value from last year, this year to May 1.

Nickel exports up 22% in value this year to May 1, compared with last year.

Exports of aluminum and products up 29% from last year, this year to May 1, in dollar volume.

Yield on 114 stocks averages 4.35% at latest this month, compared with 4.45% last month and 5.14% a year ago. (Moss, Lawson & Co.)

Lumber output in first quarter is estimated at 29% ahead of year earlier.

Major Weekly Indicators

	LATEST WEEK	Week Ago	Month Ago	Year Ago
Department store sales (% ch. from year earlier)	+7%	+5%	+29%	+19%
Carloading, total (cars)	85,198	81,518	70,297	73,018
Eastern Canada (cars)	54,054	52,907	47,082	49,008
Western Canada (cars)	31,144	28,611	23,215	24,010
Iron & Steel (mfd.) (cars)	1,360	1,301	1,368	1,211
Ores, concentrates (cars)	6,648	7,311	3,395	4,285
Base metals	583	735	686	652
Lumber, timber, plywood (cars)	4,919	4,802	3,760	3,853
Cement (cars)	1,294	1,289	1,032	1,201
Passenger car prod. (no.)	10,611	11,012	10,658	....
Truck production (no.)	2,389	2,744	2,740	....
Chartered banks				
Personal savings ($ millions)	5,521	5,462	5,529	5,097
Loans outstanding ($ millions)	4,106	4,101	4,093	4,298
N.H.A. mtge. holdings ($ millions)	132	128	120	....
Bank of Canada holdings of securities ($ millions)	2,225	2,188	2,190	2,324
Short term govern. ($ millions)	1,374	1,358	1,365	1,608
Long term govern. ($ millions)	815	818	813	693
Other securities ($ millions)	36	12	12	23
Canadian dollar (U.S. cents aver.)	101.568	101.607	101.388	101.827
Yield, 114 stocks	4.35%	4.39%	4.45%	5.14%
Dom. Bond yield index ('35-'39=100)	95.1	96.0	96.4	99.9
T.S.E. industrial index	410.71	408.21	393.69	342.48
Bank Clearings				
Montreal ($ millions)	526	695	572	527
Toronto ($ millions)	637	859	715	621

Facts by the Month

	LATEST MONTH AVAILABLE	One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE				
*In all industries (Index)	250.6	247.8	258.1	236.8
*In factories (Index)	238.0	235.8	242.2	249.8
*Total nondurable goods (Index)	220.9	220.4	206.8	214.6
*Food and bev. (Index)	200.4	190.8	192.1	202.1
*Textiles (Index)	195.7	198.0	170.6	167.8
*Clothing (Index)	153.7	130.1	141.2	160.6
*Chemical products (Index)	284.0	283.0	276.9	294.2
*Total durable goods (Index)	315.0	305.9	294.5	305.1
*Iron & steel products (Index)	266.9	259.8	241.1	237.4
*Primary iron & steel (Index)	336.2	308.4	260.3	254.0
*From mines (Index)	203.5	205.2	201.4	171.1
*Metals (Index)	125.2	126.5	122.0	119.0
*Nonferrous smelting refining (Index)	262.3	246.1	251.2	226.4
*Gold (Index)	104.0	108.7	102.4	103.2
—From farms				
Hogs graded (000)	469	572	436	397
Cattle delivered (000)	134	172	125	138
*Flour (Index)	149.2	140.8	127.0	144.2
—From sea				
*E. Coast catch ($000)	3,494	1,626	1,489	3,126
*W. Coast catch ($000)	400	236	450	375
—From forests				
Newsprint (000 tons)	519	539	479	500
Pulp (000 tons)	824	884	760	787
—In powerhouses				
Electricity (Index) (seasonally adjusted)	291.0	287.0	289.9	253.7
WHAT WE SELL—				
Retail sales ($ millions)	901	194	839	929
Dept. stores sales ($ millions)	90	81	77.3	86
*Wholesale sales (value) (Index)	368.3	366.0	324.6	356.7
Mfrs. outstdg. orders (value) (Index)	80.7	80.9	81.3	85.7
Pass. car sales (units)	22,084	17,810	19,450	23,768
WHAT'S ON HAND—				
Mfrs. inventories (value) (Index)	102.5	101.7	101.1	104.7
Dept. store stock sales ratio	3.1	3.5	3.4	2.9
SPENDING, SAVING POWER—				
Labor income ($ millions)	990	984	1,025	950
*Dividend payments (Index) (annual rate)	264.6	263.7	261.7	249.7
JOBS—				
Employment (Index)	105.6	106.8	106.1	106.6
Mfg. employment (Index)	105.5	103.6	103.3	108.3
CONSTRUCTION—				
Contract awards ($ millions)	290	181	189	229
FOREIGN TRADE—				
Exports ($ millions)	342	355	391	298
Imports ($ millions)	383	378	308	349
MONEY—				
Money supply ($ millions)	5,482	5,347	5,393	5,098
Cheques cashed ($ millions)	12,847	11,065	12,008	13,108
Notice deposits ($ millions)	5,972	5,880	5,776	5,245
Current public loans ($ millions)	3,709	3,684	3,711	3,756
Life insurance sales ($ millions)	270	266	230	217
PRICES—				
Consumer price (Index)	116.4	116.1	116.0	115.5

Index bases: production wholesale sales 1935-39=100; employment, payrolls, 1949=100; consumer price index, 1949=100; manufacturers' inventories, outstanding orders, Dec., 1932=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
*Steel ingots and castings (000 tons)	385	249	1,023	+28
Primary copper (000 tons)	23.0	16.5	51	+42
Nickel (000 tons)	13.1	11.8	27	+10
Cement (000 bbls.)	1,675	1,975	6,898	—2
Lumber (millions fbm.)	732	594	1,968	+29
Lumber exports (millions fbm.)	340	220	670	+65

*New items this week.

Date of issue for your file, The Financial Post, June 18, 1955.

Higher Exports Shave Trade Deficit in '55 First Quarter

OTTAWA (Staff)—While Canada's international balance of payments showed a deficit for the first quarter of 1955, higher merchandise exports cut its total by $19 millions from the same period of 1954.

Higher payments for interest and dividends, tourist spending abroad and shipping charges produced a current account deficit of $157 millions. Total receipts from exports of goods, tourist trade in Canada, Canadian shipping used by other countries and interest and dividend payments to Canadian investors rose to $1,222 millions, from $1,107 millions a year ago.

The commodity trade surplus of $8 millions (compared with a $51-million January-March deficit in 1954) was turned into a deficit by the "invisibles" — tourist expenditures, shipping and the interest and dividend flow. First quarter deficit on invisibles account was $40 millions higher than the comparable figure for 1954's first quarter.

In the first quarter of 1955 total value of exports and imports, adjusted by DBS for balance of payment purposes, exceeded 1954's first quarter by $96 millions and $37 millions respectively.

There were some moderate increases in nonmerchandise receipts, but these were more than offset by a considerable increase in interest and dividend payments to $117 millions from $89 millions.

Travel expenditures and military service expenditures rose well over levels of a year earlier. The increase in net income payments of $29 millions was largely due to higher dividend payments to parent companies abroad. **Travel payments rose to $77 millions from $66 millions, while receipts were up only slightly.**

In terms of volume, first quarter 1955 exports were up 12% and imports increased 6% over the previous year.

Ethics, Education Highlight IDAC Activities in 1954

(Continued from page 17)

mittee has been in contact with Mr. Sutherland on several occasions regarding the administration of the Act, and out of these discussions this committee has come to the conclusion that all members of The Investment Dealers' Association of Canada should clearly state whether they are acting as principals or agents on their contracts and all advertising material.

Daily quotations for Atlantic securities have been furnished to the Halifax papers for the information of investors under the heading supplied by "The Investment Dealers' Association."

The education committee is working with the universities in Halifax, with a view to sponsorship of Adult Education Extension courses. Some progress has been made in respect to these courses but it is apparent that Dalhousie University and St. Mary's will not sponsor such a course on a joint basis. At the present time we are planning to make available to both Universities the course material as prepared by the Investment Dealers' Association, with the idea that the lectures be given by their own faculty members. We would set up, within our own organization, an advisory committee to aid them in carrying out this project if they wish to do so. This course of action seemed preferable to that of allowing the matter to drop again completely, as a good deal of time and work has been spent on the project.

The Speakers' Panel gave several addresses in Nova Scotia, including the Yarmouth Board of Trade, Wolfville Rotary Club, the Commerce Class at St. Mary's University and other groups.

New Brunswick:

The first public lecture course on investments, to be held in the Atlantic district, was given in co-operation with the University of New Brunswick in Saint John. This course consisted of six lectures. We were greatly disappointed by the small number of students in attendance. The Department of Business Administration of the University of New Brunswick and the Education Committee intend to give much greater publicity next year to a similar course, to ensure a larger attendance.

An effort was made to get the University of New Brunswick to include a course on investments in their regular University curriculum, as at the present time they barely touch on corporation finance in their Economics Course. Unfortunately, we have been advised since by UNB that they are unable to include such a course.

The provincial government, administration and finance committee kept in constant touch with the N. B. Board of Public Utilities and the provincial secretary-treasurer, regarding amendments made to the Security Frauds Prevention Act at the recent session of the Provincial Legislature. Certain statutory information, similar to that in effect in most provinces, is now necessary and must be incorporated in offering circulars.

Due to the very considerable activities in connection with mining activities within the province, the board is endeavoring to exercise its authority with caution, for the protection of investors where financing is involved and public distribution of shares is requested.

The New Brunswick committee had several enquiries regarding a firm in Saint John. The company was said to be flooding the U. S. with literature and had also made various long distance calls as far as Calgary, Alberta and Spokane, Wash. Members of the firm were called to appear before the Public Utilities Board in connection with the complaints.

Budget Deficit Running High

OTTAWA (Staff) — Supplementary estimates tabled in the House of Commons last week totaling $147.7 millions indicate a budgetary deficit for the current fiscal year of $271.6 millions — $111 millions higher than the budget speech forecast made by Mr. Harris.

The budget prediction called for revenues for the year ending March 31, 1956, of $4,202 millions and expenditures of $4,362 millions, leaving a deficit of $160 millions.

Included in the supplementary estimates is $300,000 to cover expenses of the newly-established Royal Commission on Economic Prospects. Also listed is $34 millions in loans and advances to Atomic Energy of Canada Ltd., the CBC, and Central Mortgage & Housing Corp.

The supplementary expenditures excluding these loans total $113.6 millions, which added to the previous expenditures total, leaves an estimated deficit of $271.6 millions. Biggest item in the supplementaries was $63 millions to pay off loans made by the Treasury to the old-age pension fund to meet the deficit between its revenues and pension payments.

This fund, established in 1950, was designed to pay its own way through getting 2% each of income, corporation and sales taxes. It has shown a surplus during only three months of operation.

The Government is building a new reactor at the Chalk River atomic energy plant for an initial payment of $3,017,500.

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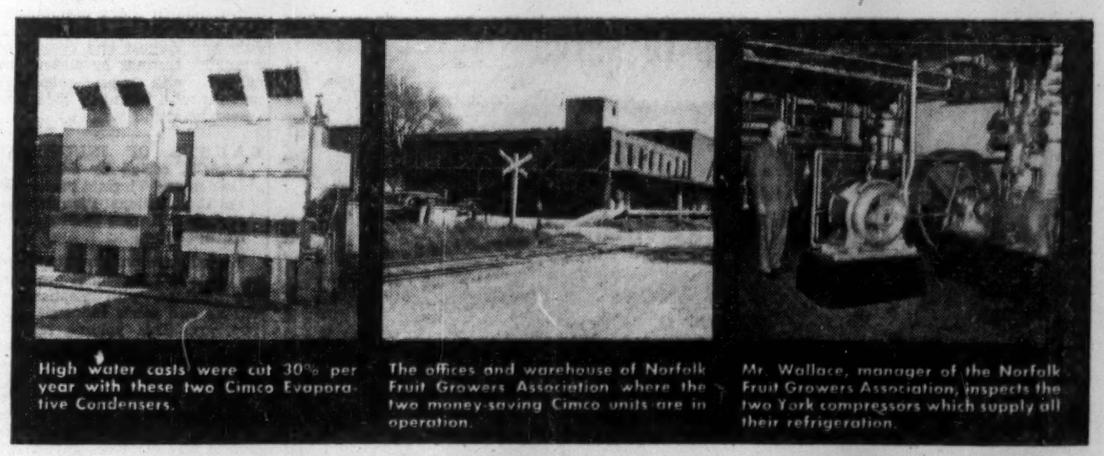

High water costs were cut 30% per year with these two Cimco Evaporative Condensers.

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Mr. Wallace, manager of the Norfolk Fruit Growers Association, inspects the two York compressors which supply all their refrigeration.

A thirty per cent profit annually on *one* investment is the experience of the Norfolk Fruit Growers Association, Simcoe, Ontario — thanks to Cimco!

In 1946, artesian water ran dry and the Association was forced to purchase city owned water costing as high as $2400 per annum. Cimco engineers surveyed the problem. The old shell and tube condenser was replaced with 2 new type Cimco evaporative condensers. Down went water costs to only $500 per annum.

To quote Mr. Wallace, Manager of the Association: "We provide Norfolk County with storage, packaging and marketing facilities for 300,000 bushels of apples and 100,000 crates of strawberries. We need sound reliable refrigeration and cooling and we get just that from Cimco. We have always had satisfaction from Canadian Ice Machine Company with all our refrigeration requirements."

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Smooth Spacious Sloop

A 40-ft. over-all sloop is, it's believed, the largest molded plywood boat yet made. Manufacturing process utilizes phenolic resins especially formulated for this type of wood bonding. Available with yawl or cutter rig, the boat has a 27-ft. waterline, 9 ft. 10 in. beam, 5 ft. 5 in. draft, sail area of about 715 sq. ft. and auxiliary power, diesel or gasoline. Although its arrangement plan is orthodox, it has one distinct advantage over conventional construction — for the specified over-all beam a much larger space is available since no frames are used except as lands for bulkheads, etc. The result? A smooth inside hull finish, free of crevices and projections that accumulate dirt.

* * *

French Wrench

Unique wrench, designed and manufactured in France, transmits pressure to four sides of a hexagonal nut, and at the same time protects the angles of the nut from damage. Comes in 38 metric-system sizes, 16 of which fit North American-size nuts and bolts.

* * *

Woe For Weeds

Concentrated weed and brush killer contains 95% ammonium sulfamate, the active ingredient. Is recommended as a foliage spray for the control of woody plants, and as a stump treatment to prevent re-sprouting. Contains a corrosion inhibitor, is non-volatile, and is low in toxic hazard to people and animals when used as directed.

* * *

Snaps Forgers

Bad-cheque artists will hesitate to perform if camera device is employed at cash wickets. The camera, which is set in position beside the cashier, is operated by a simple push button at the base. When this is pressed, the camera photographs the cheque-passer, the cheque and identification simultaneously. Provides banks, stores, institutions and agencies with permanent record of all cheque transactions and forgers, naturally camera shy, will dislike it.

* * *

Barbecue Bucket

For indoor or outdoor use there's a sizzle bucket that gives all-round wind screening. The outer shell is finished in copper hammertone and is 12 in. in diameter by 12 in. in height, thus providing a generous cooking area and burning space. Bucket features a separate firepot and an aluminum griddle, together with a grill rack. Ideal for hot dogs, hamburgers, steaks, bacon and eggs, etc., and it's compact and easy to store in the car trunk, or boat.

* * *

Mobile Thermometer

Thermometer, designed for use in home refrigerators and freezers is equipped with an automagnetic clip that holds firmly to any metal surface so that it may be positioned at any convenient reading point. Consisting of an extremely sensitive thermometer mounted on an easy-to-read scale it provides a constant check on the efficiency and operation of the refrigerator unit, and enables the proper preserving temperature to be maintained.

* * *

Foil Coat Foils Heat

Heat reflecting clothing, made from an aluminum foil coated cloth gives a high degree of protection against radiant heat. Made by a U.K. firm, the garments reflected away 95% of the heat they were subjected to during recent tests. Designed to permit workers to face fierce heats from furnace, forgings and ingots for longer periods than previously possible.

* * *

Correct For Photo Finish

Correction fluid for use in preparing copy for offset or other photographic reproduction is used by painting over the error. The opaque white fluid dries in a few seconds and the correction is typed, written, or drawn on the new white surface which is flexible and does not flake or crack. Correction is not detectable photographically and photo offset plates of the corrected copy can be made by usual procedures. Conventional correction methods are no longer necessary, faster corrections result and the need for opaquing on film negatives usually necessary when cut-out corrections are used is eliminated.

* * *

Easy, To-Order Sharpener

Pencil sharpener now available has point selector conveniently located outside on the handle where it is more easily accessible. By moving the point selector you can sharpen a pencil to a blunt, medium or fine point without removing the receptacle to adjust the selector —located inside on the carrier of other models.

* * *

Rust Router

Anti-rust spray, dispensed from a pressurized Aerosol container, covers tools, fishing rods and guns with a protective coating that will last for five years indoors and one year outdoors, it's claimed. Handling will not affect treated articles, since the compound neutralizes the acid action of fingerprints. The coating will not creep, and is self-healing. Since it displaces moisture, it may be applied to wet metal.

A. T. GOWE

has joined W. A. McCracken advertising agency, Toronto, as vice-president and director.

BOOKS FOR BUSINESSMEN

CANADIAN INCOME TAX by John G. McDonald, associate editor, Stuart D. Thom; published by Butterworth & Co. (Canada) Ltd., 1367 Danforth Ave., Toronto; 794 pp.; $35.

This is a comprehensive survey of the entire structure of Canadian income tax. The various areas of investigation are described as: income tax procedure; gross income; net income; taxable income; income from natural resources; income tax rules and accounting practice; partnership income; family income distributions; corporate distributions; and nonresidents' income.

The text will, it is expected, be regularly revised to reflect new decisions and the perennial amendments of the Income Tax Act. Changes taking place between revision dates are to be covered in cumulative supplements from time to time, for insertion in the book's looseleaf binder; price of the book includes subscription to the supplements for the remainder of this year.

CANADIAN INDEX to periodicals and documentary films, 1954; vol. 7. Published by the Canadian Library Association, 46 Elgin St., Ottawa, 238 p. Price on request.

The annual guide to major articles which have appeared in over 50 of Canada's principal periodicals and to Canadian educational and documentary films. The Canadian Index is published monthly with the exception of July and August and cumulated annually. Listings by author and subject with cross references make it most useful to librarians, researchers and writers.

CAUSES OF INDUSTRIAL PEACE, edited by Clinton S. Golden and Virginia Parker for the U. S. National Planning Association; Harper & Bros., New York; 369 pp.

Bookshelves on company-union relations and personnel problems are jammed with treatises on strikes and other industrial disruptions. This volume takes a look at the other, much larger, but less exciting side of the situation.

It does this through a series of case histories illustrating company-union harmony, how and why it was achieved. Involved is a wide assortment of CIO and AFL unions and companies in many industries.

The final chapter states what appears to be the book's logical conclusion: "The type of relationships found in this survey appeared to represent one method by which a major share of conflicts . . . were contained within the bounds of order and stability. The direct participants in them claimed . . . this was paying off in terms of a steady record of gains for each side and that tough but reasonable bargaining was consistent with their respective long-run interests. For these reasons, the number of relationships similar to these may increase in the future."

An earlier note on the studies' background says encouragingly: "The . . . job was made more difficult by the fact that there are so many cases of industrial peace."

Tourist Competition Tougher, South America Gets In Swim

South and Central America are scheduling a big effort to attract our tourist dollars in the next few years.

Ecquador is among the first of South American nations to establish an appropriation ($100,000) for travel promotion. With various governments showing new signs of interest in tourism the market is expected to expand quickly.

Mexico, unlike its neighbors further south, has long realized its tourist potential. As a result $190 millions of the $239 millions spent in all Latin American countries went to Mexico, according to estimates of the U. S. Department of Commerce. More than 50% of the rest went to Cuba, Nassau, Jamaica and other Caribbean islands which have tourist offices here and in the U. S.

Guatemala is reported to be making plans to woo visitors. Other governments are following the new line. Travel offices should soon begin to show evidence of the new interest with new Latin American literature and posters.

To catch the new traffic, airlines and shipping companies have stepped up promotion on South American themes. Results are good. All carriers report the opening months of this year easily the best ever.

To help out, a number of new luxury hotels are under construction in the area, mostly built with U. S. capital.

Call Preferred Of 'Peg Electric

From Our Own Correspondent

WINNIPEG — The Manitoba Government — through its power generating utility, the Manitoba Hydro Electric Board — has given notice of redemption of 50,000 preferred shares of Winnipeg Electric Co.

The government took over Winnipeg Electric in 1953. The preferred stock, $100 par, carried a provision that if the stock were called, a premium of $5 per share would be paid the holders.

Thus the letter notifying holders of the redemption offers them $105 per share.

Funds for the purchase are being deposited with National Trust Co., and the shares will be accepted at company offices in Winnipeg, Toronto and Montreal.

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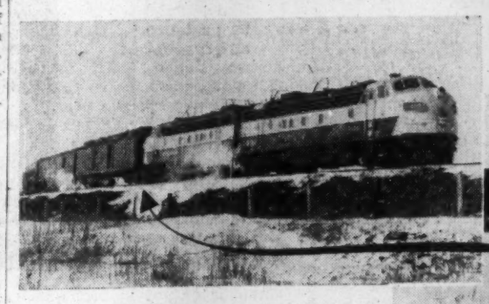

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This Diesel train streaking along at high speeds must have dependable brakes — a series of vital links which must not fail. We are proud that the Westinghouse People have given us the job of making malleable castings to serve under these severe operating conditions. Perhaps you have a job which calls for a material that is tough and strong, and yet can be made with precision for close tolerances. We will be glad of the opportunity of showing you how malleable iron castings can help you where operating conditions are tough. Write to-day.

Malleable iron castings shown here make couplings for Westinghouse Air Brakes that stand up to hard usage under tough conditions, yet fit snugly and dependably on a job where performance is vital.

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Schedule your advertising in the 27 daily newspapers that serve and sell this tremendous market. Each advertisement will be transformed into a powerful local sales message that rings more doorbells and more cash registers — more often. It will sell families that live in modern homes, drive good cars and buy the most saleable product in the world — local news in their own Hometown daily newspaper.

Hometown newspaper advertising alone supplies the missing link in the complete chain of profitable merchandising. It alone enlists dealer support on a stronger, more intimate level than any other medium.

For direct sales-results use Hometown Ontario newspapers — the most profitable, most effective media for your national advertising dollar. Ask your Advertising Agency.

143,541,652 lines of advertising were purchased in Hometown Ontario daily newspapers during 1954 by local retailers.

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The Financial Post

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'Old Red Comrades' Are Not Fading Away

Hard Core of Commies Push Long-Range Plans

Last week, in Toronto, the voters of St. Andrew riding threw out J. B. Salsberg, candidate of the Labor-Progressive Party and last remaining Communist-line member of a provincial legislature in Canada.

Here is a special Financial Post report on what the Communist party has been doing, the line it is taking to recover its strength.

The Communist Party in Canada today is far from dead and certainly not lying down.

The comrades' ranks have thinned out and the remaining faithful are much less vocal. But below the surface a devoted majority feverishly continues to advance the Communist cause in Canada.

At first glance, Red activities now appear to be limited to issuing phony protests against the H-Bomb, the re-arming of West Germany, and the "sellout of Canadian natural resources to the Yankee imperialists."

Gone are the monster rallies of the early postwar years. Communist influence in Canadian trade unions is at its lowest ebb in a decade. Open pressure tactics against Canadian ethnic groups seem to have been abandoned.

Gone too are the curious hangers-on and most of the misguided "do-gooders," whose money and brain power went into Communist activities a few years back.

But the Party is by no means dying.

Today a powerful, highly indoctrinated, and thoroughly devout task force of just over 7,000 card-carrying Communists of Canadian origin is very busy indeed.

Here is their current program for disrupting the Canadian way of life:

—Making the most of the unemployment situation by using the Union of Unemployed Workers, which is similar to the one they created during the depression of the thirties. Statistics bureaus in Vancouver and Toronto churn out distorted figures prepared by skilled Party members, often graduate economists of Canadian universities.

—Keeping the cultural pot boiling among the New Canadians through directives from the Soviet-dominated VOKS (The All-Union Cultural Organization in Foreign Countries). Provincial heads and a Canadian head for VOKS have existed since 1951. They direct editorial policies for the Party's 19 foreign language weeklies.

—Pushing the "Keep Canada Canadian" line to the hilt. This emphasizes the charge that Canada's natural resources are being sold out to "American war interests."

—Operating sabotage schools where methods of destroying key Canadian industries and installations are taught and rehearsed. One of these schools meets regularly near Toronto right under the noses of unsuspecting suburbanites. Old Party hands, many of them trained at the Lenin Institute in the 1930s, direct instruction.

—Keeping the youth interested. Though there has been an obvious drop in enrolment in the National Federation of Labor Youth, the flow of new blood into NFLY's press and social activities indicate there are young Canadians still around to carry out the Party's bidding. This group's main job is to indoctrinate the Party's future leadership.

The new strength in small but devoted numbers pays off in the way which Canadian Communists have managed to thoroughly entrench themselves in four main unions with memberships of about 70,000 men, keep control of an active foreign language press, and keep the party funds coming in for potential political opportunities such as provincial and municipal elections.

One of the more important but unpublicized victories which the Party can claim from municipal elections, is that tens of thousands of Canadian urban dwellers still vote the Communist ticket when LPP candidates seek municipal offices. Approximately 55,000 Canadians voted LPP in the 1953 Federal elections. The Commies' purpose in running candidates is to give them an easy entry into peoples' homes to spread their propaganda.

The Party hasn't as many conflicts in world affairs to pin a propaganda program on as during the Korean War, when germ warfare charges burdened the Communist press in Canada.

The LPP's labor experts are today pushing the unemployment issue. This is really paying off for the Reds. More than 1,000 Canadians have joined the Communist party in the last 10 months. The Union of Unemployed Workers, which has appeared spasmodically several times since the war, is whooping it up on behalf of those Canadians now out of work.

Ironically enough, some of the so-called "labor experts" of the LPP who boldly ask Canadian employers if they have ever been out of work, have never had steady jobs themselves, since joining the Party. But this does not seem to deter party members and those who vote the LPP ticket from listening to their siren calls.

Red Elements in Labor

At present the following Canadian unions are led or dominated by Communist and Communist-thinking leaders:

—The big and powerful International Union of Mine, Mill & Smelter Workers, headed in B. C. by fun-loving but deadly efficient Harvey Murphy and other top Canadian Reds in Ontario. With an estimated membership of over 30,000 in Canada, this union is bargaining agent for its basically non-Communist rank-and-file, in such vital industries as Consolidated Mining & Smelting Co. and International Nickel at Sudbury, Ont.

—United Electrical Workers with an estimated membership of about 25,000 has members in a host of Canadian plants doing vital and restricted work on radar, and other electronics apparatus. Constant troublemakers for industry, shrewd Red leaders keep their executive places by fighting for fat wage contracts for a basically non-Red membership.

On the walls of several of Canada's largest electrical industries, such as Canadian General Electric's works in Peterborough, are pinned calendars portraying Wall Street (or Bay St.) "capitalists" with hands crammed with atom bombs and dollar bills.

—Smaller but well-led by old-time Red, Robert Haddow, Canadian District President until three weeks ago, is the International Fur and Leather Workers Union. At present representing workers (about 5,000) in a depressed industry, the comrades have used this union — active only a few years ago in signing peace petitions — to push the Red line on unemployment in Canada.

—United Fishermen & Allied Workers Union (found only along the B. C. coast), with an approximate membership of 8,000, is still run by B. C. Reds. Their strategic position along Canada's west coast which faces on the USSR, can hardly be underestimated. (The Financial Post, Dec. 12, 1953.) Today as strong as ever, some of their local leaders also belong to Red ethnic front organizations up and down the coast.

They Influence Immigrants

The Communist Party in Canada still has a vociferous and active ethnic front group arrangement. Main organization in this weeklies (chief of which is "The Ukrainian-Canadian." This is the successor to the Ukrainian Labor Farmer Temple Association, banned in 1940. Today with a membership estimated between 20,000 and 25,000 it has lost none of its vigor. It owns or runs a series of Ukrainian and English-language weeklies (chief of which is "The Ukrainian-Canadian"), carries out fund campaigns and tries to corner the market on Ukrainian culture in Canada.

Other red-line ethnic groups, such as the Federation of Russian Canadians, carry the loyalties of less than 1% of the Slavic population of Canada.

Biggest question mark to loyal Slavic-Canadian societies and groups is who pays the bill for these groups?

The recent arrival of a newspaper press from the USSR (with an estimated value of $100,000) points up that someone must pay the comrades' publishing and promotional bills. A serious drain on Party-member loyalty is the ceaseless round of demands for money from the rank-and-file.

So far the comrades have been successful in keeping their source of revenue to themselves. Last fall the records of a prominent Communist foreign language weekly revealed that high operating expenses and low income from subscriptions and donations resulted in heavy monthly deficits. Yet the paper continues to publish.

The Red pitch to New Canadians is confined almost solely to those who have lived here for several generations. It's easy to see that local Communists could never appeal to New Canadians who have escaped from Red-dominated parts of Europe.

In the last two years Red ethnic groups and their weeklies have announced themselves as gathering agencies for food parcel money. This is sent to their homeland, where it is exchanged for the local currency, which the relatives must use there to buy gifts.

Like all Red acts of generosity, this one has its hitches. In this case, the Red regimes build up needed dollar reserves at the New Canadians' expense. And the relatives in Europe are at the mercy of the local (often artificially set) exchange rates.

Canada's Red Leadership

Presiding over the chronically double-dealing activities of the Canadian Communist Party and its branches is, by and large, the same crowd that came to power during the war. Few have dropped out. Old-timer Tim Buck is still at the helm; no mean record in an age when the period of leadership of Communist leaders is not measured in decades. Actually, Buck is now known to be only a figurehead, with little control over Party policy decisions.

Here's a sampling of Party activists across Canada:

—Tom McEwen, a real old-timer and provincial candidate in the 1953 Federal elections, is editor of the Pacific Tribune and the "daddy" of West Coast comrades.

—Homer Stevens, active in Vancouver's United Fishermen & Allied Workers Union and in provincial and Federal election campaigns. He's young and up-and-coming.

—Steady party members such as Ben Swankey, Frank Maricle, William C. Ross and old timer Joseph Zuken in Winnipeg spearhead the LPP in the Prairies.

—Steven Endicott, a son of Dr. James Endicott, is now head of the party youth movement, National Federation of Labor Youth and has recently returned from several years in Bucharest, Roumania, doing Red youth work there.

—David Kashtan, manager of the Party's literary outlets in Toronto, is now 40. He attended Red youth congresses in the 30's.

—Joshua Gershman, a World War II veteran is editor of a Red-line Jewish weekly.

—Oldtimers such as Joe Salsberg, Stewart Smith, Stanley Ryerson, Leslie Morris, still operate from Party headquarters in Toronto.

—In Quebec "tried-and-true" comrades remain in command including Gui Caron, Harry Binder, Norman Nerenberg and Norman Penner.

What have the Canadian comrades in mind for the years and months ahead? With membership increasing slightly again, the targets of attack at our way-of-life will be as carefully planned as ever.

Most secret of all the Reds' activities in Canada are the espionage schools. Despite all the talk about "no more war" and their promise of an ideal world, the basic texts of Bolshevism demand world revolution and internal chaos as final solutions. How often cells meet to teach the techniques of internal destruction, only the Party knows.

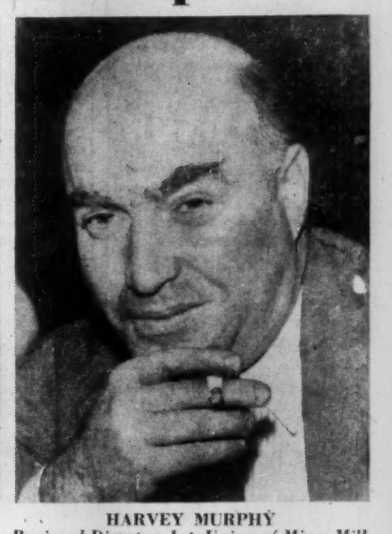
No matter how depressing the external drop in number and interest in the Party may appear, the LPP in Canada is as busy as ever. Slogans come and go. So at times, do the leaders. But the underlying job of keeping Communism active in Canada is still going strong.

They Spread the Doctrine in Labor Groups

C. S. JACKSON
President
District Council, United Electrical Workers

GEORGE HARRIS
Treasurer
District Council, United Electrical Workers

ROBERT H. HADDOW
Former Canadian Director
Int. Fur & Leather Workers' Union



HARVEY MURPHY
Regional Director, Int. Union of Mine, Mill and Smelter Workers

A Different Look at Stock Price Levels

These Two Private Systems Claim Public 'Over-Optimistic'

By VINCENT EGAN

Has public optimism carried the stock market to dangerously high levels? Two investment experts — one Canadian, one American — using similar formulae have warned that it has.

The Canadian is Joseph C. dePencier, director of Timed Investment Fund Ltd. and creator of the dePindex (The Post, Jan. 19, 1952). The American is Edgar S. Genstein, a manufacturing chemist turned investment analyst. Genstein's formula plan for investing is outlined in a recent book, Stock Market Profit Without Forecasting.*.

Here are the three premises of Genstein's investment formula:

—The long term trend of stock prices is determined by dividends.

—There is a normal ratio of prices to dividends.

—Major selling and buying "zones" exist when prices rise or fall a certain distance from normal; these deviations are the measure of optimism and pessimism.

Genstein's "normal" ratio of stock prices to dividends is a moving average — the ratio of the average of prices for the previous 10 years, to the average dividends for the same period.

As an illustration, at Dec. 31, 1954, the average price of the Dow-Jones industrial for the previous 10 years was 224.8; the average annual dividend paid on them was $12.92. The ratio for the 10-year period was 17.4 (the price divided by the dividend).

It was normal for that period for the price to be 17.4 times the dividend. The dividends paid for the 12 months of 1954 on the stocks making up the Dow-Jones industrial index totaled $17.47. Thus, the normal value of the Dow-Jones industrials on that date was 17.4 multiplied by 17.47, or 304. Actually, the index on that date was 404, or 33% above "normal" according to this formula. Genstein recalculates this "normal value" every three months.

The American's studies have shown that since 1937 over-optimism has carried prices above 140% of normal in 1938-39 and 1945-46, and that over-pessimism in 1937-38, 1941-42 and 1949 took prices below 70% of normal. With these facts established, Genstein suggests that the investor start to sell stocks and buy bonds when prices rise above 120% of normal, and the reverse when prices fall below 83% (100% divided by 1.20) of normal.

Several schedules are outlined in his book, with varying degrees of conservatism, to provide for a minimum stock position at 140% to 160% of normal, and for a maximum stock position at from 71% to 62.5% of normal. Under dePencier's application of the formula, the proportion of stocks to total funds is changed only when the deviation from normal changes by five percentage points.

Timed Investment Fund's dePencier recently applied the Genstein formula to his dePindex — an index of 30 representative Canadian stocks whose movement he has charted back to 1915.

"I found that since 1940 the current annual dividend paid on the dePindex stocks has tended to be greater than that paid on the Dow-Jones," said dePencier. "In 1940 the dividend paid on both indices was approximately $7, but by Dec. 31, 1954, the Dow-Jones was paying $17.47 while the dePindex was paying $23.63, or 35% more in dividends. On this basis, the higher price of the dePindex (at 650 vs. 420 for the Dow-Jones industrials) was justified."

To test the strength of the Genstein formula on the basis of actual stock market movements, dePencier calculated the position at Sept. 30, 1954, of a hypothetical $100,000 investment made on March 31, 1937. Here are his findings:

—If no formula had been used but the $100,000 invested entirely in the stocks making up the Dow-Jones industrial index, the $100,000 would have grown to $193,000.

—If no formula had been used but the $100,000 invested in the dePindex stocks, it would have grown to $270,000.

—If the Genstein formula had been used and the $100,000 invested in the Dow-Jones industrials, it would have grown to $325,700.

—If the Genstein formula had been used and the $100,000 invested in the dePindex stocks, it would have grown to $351,716.

—If the buying and selling zones of the Genstein formula had been raised by 10% to allow for the fact that the dePindex tends to rise higher and fall less from normal than the Dow-Jones, $100,000 invested in the dePindex stocks would have grown to $417,566.

"The formula suggests that the present level of Canadian stocks, at least those stocks making up the dePindex, is high," said dePencier. "It is 155% of normal," a level that has only been reached three times in the last 27 years—in 1928, 1937 and 1946.

"The stocks in the dePindex are a representative group and could be a well balanced Canadian portfolio. Yet if an investor bought one share of each stock at present levels the annual dividends would only yield 3.58% on the investment. This fact alone suggests that our Canadian markets are high.

"I have every faith in the continued growth and strength of the Canadian economy and believe that, over the longer term, this growth will be reflected in higher prices for our good stocks. On the other hand, I cannot help but agree with Mr. Genstein that at current levels public optimism has carried common stock prices well above their 'normal value'."

Here are the stocks making up the dePindex:

HEAVY INDUSTRY	**RETAIL TRADE**
Massey-Harris-Fer.	Dominion Stores
Page-Hersey Tubes	Simpsons Ltd.
Steel Co. of Canada	**UTILITIES**
OIL	Bell Telephone
British American	Gatineau Power
Canadian Oil	Shawinigan W. & P.
Imperial Oil	**MISCELLANEOUS**
CONSTRUCTION	Can. Pacific Rlwy
Asbestos Corp.	Distil. Corp.-Seag.
Dominion Bridge	Ford Motor Car A
Gypsum Lime & Al	Moore Corp.
TEXTILES	Traders Finance A
Canadian Celanese	**BASE METALS**
Dominion Textile	Aluminium Ltd.
PAPER & LUMBER	Consol. M. & S.
Abitibi Pwr & Pap.	Hudson Bay M & S
Consolidated Paper	Internati Nickel
Price Brothers	Noranda
Powell River	

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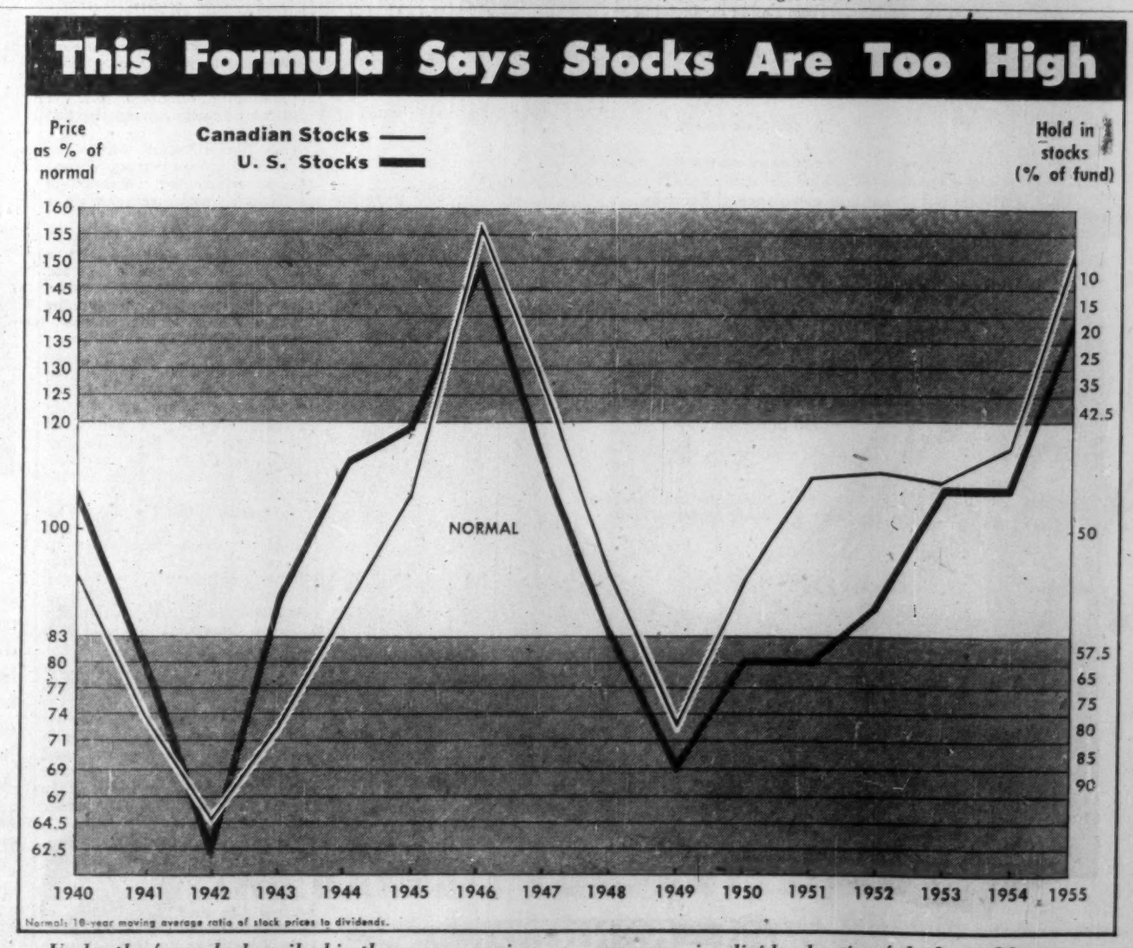
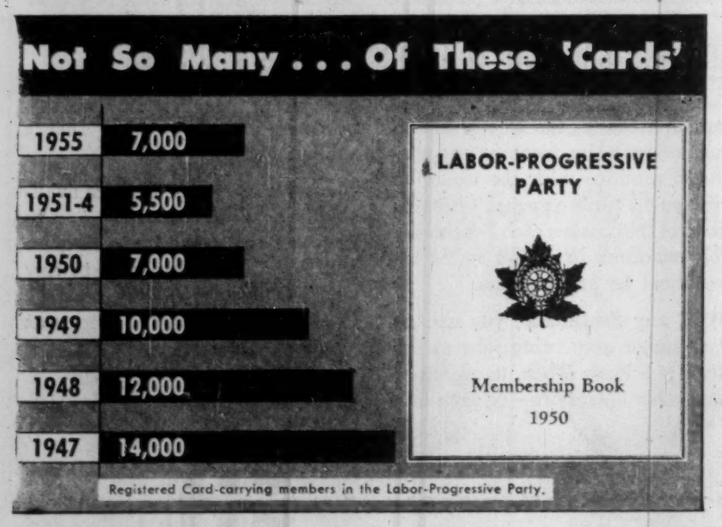


Under the formula described in the accompanying article, normal value of stocks at any time is determined by multiplying current dividends by the average price-dividend ratio of the latest 10 years. When prices reach 120% of normal, investors would start to sell; at 83%, they start to buy.



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How the Combines Cops View Company Growth

Combines Commission Report On Canadian Breweries Ltd.

The combines report on Canadian Breweries deserves wide executive reading because it is an interesting revelation of how officialdom looks at corporate bigness and at corporate growth.

The conclusion in this case is that Canadian Breweries has not acted against the public interest.

But that came only after four years of investigation, a great deal of executive and legal effort, and the writing of a 104-page report.

Herewith revealing and instructive sections from the report.

Reference to the Commission:

This inquiry was begun by the Commissioner of the Combines Investigation Act in 1951. In June of that year reports appeared in the press relating to proposals made by Canadian Breweries Ltd. to acquire all of the stock of National Breweries Ltd. Since these two companies respectively occupied leading positions in the brewing industry in Ontario and Quebec, the Commissioner felt himself put upon inquiry to determine whether or not the contemplated amalgamation might be in contravention of Section 2(e) of the Combines Investigation Act.

Allegations of Detriment:

1: It is alleged that Canadian Breweries Limited constitutes a "combine" by way of "merger, trust or monopoly" contrary to the Combines Investigation Act.

Section 32 of the Act makes it an offence to be a party to the formation or operation of a combine. "Combine" is described as including a "merger, trust or monopoly" which has operated or is likely to operate to the detriment or against the interest of the public. "Merger, trust or monopoly" is defined to mean one or more persons.

(i) who has or have purchased, leased or otherwise acquired any control over or interest in the whole or part of the business of another, or

(ii) who either substantially or completely control, throughout any particular area or district in Canada or throughout Canada the class or species of business in which he or they are engaged.

2: Canadian Breweries falls under paragraph (i). The evidence describes how it has acquired control over or interest in the business of a large number of brewing concerns in Canada.

It appears from such authorities as the Container Materials Case, that the anti-combines legislation was passed for the protection of the specific public interest in free competition. Just as agreements, deliberately entered into, which tend to prevent or lessen competition unduly, are stamped with illegality under the legislation, so also are mergers, trusts and monopolies deliberately carried out, when they have the same tendency.

It has been the design and the effect of Canadian Breweries Ltd. to prevent or lessen competition in the brewing industry in the provinces of Ontario and Quebec and it has been its intent to prevent or lessen competition in the western provinces.

From the time of its incorporation in 1930 up to the present, Canadian Breweries Ltd. has acquired 23 brewing firms in Ontario and one large brewing firm in Quebec, which owned and operated six brewing plants in that province. In Western Canada it has acquired a substantial stock interest in the brewing holding company which certain of its directors were instrumental in organizing and which has acquired control or ownership of five breweries and a substantial financial interest in four others.

The design, from the outset, of Canadian Breweries Ltd., has been to establish itself in a dominant and controlling position in the brewing industry in Ontario which would give it the power to regulate and control the policies and practices of the brewing industry in that province to its own ends. This design was extended, as early as 1942, to embrace the brewing industry in Western Canada. In 1951 it was extended to Quebec.

The execution of this design has witnessed the progressive extinction of competitors in Ontario, the initiation of a similar course of action in Western Canada and the absorption of a major competitor in Quebec where the brewing industry is already subject to a high degree of concentration.

Canadian Breweries has achieved its objective of establishing itself in substantial control of the industry in Ontario and it envisages the further enhancement of that control through the acquisition of additional competitors.

While there has not been an extension directly of operations of Canadian Breweries Ltd. to Western Canada, nevertheless the same result has been accomplished indirectly through the organization of Western Canada Breweries Ltd. which, today, is an affiliate of Canadian Breweries Ltd. So far, the activities of Western Canada Breweries Ltd. are in their initiatory stages.

By acquiring control of National Breweries Ltd. in Quebec, Canadian Breweries Ltd. has reduced the principal competing suppliers of beer in that province from three to two and has brought about a situation which is only one step removed from complete monopoly. It has also, thereby, enhanced further its position of control in Ontario and brought together and consolidated under one controlling agency two substantial segments of the brewing industry in Central Canada where over 70% of the beer market in the country is concentrated.

The acquisition of plants of competitors has not been confined to those which were desired primarily for the purpose of assimilating them into the merger, but extended to plants which were desired primarily for the purpose of removing them as competitors, either because of price competition, actual or potential which they presented, or to forestall their acquisition by other more robust competitors, existing or prospective.

Canadian Breweries Ltd. has strongly opposed price competition in the industry and made efforts from time to time to eliminate it by instituting agreements in respect of prices and other competitive practices and by threatening, and in at least one instance undertaking local price wars to discipline price-competing breweries.

Freedom of entry into the brewing industry has been restricted by the policies pursued by Canadian Breweries Ltd., including the policy of acquiring and closing out plants, of opposing the issue of new licences and, in particular, by the basic policy of changing the whole structure of the industry in such a way as to make it increasingly difficult for persons without great capital resources to gain an entry.

It has also been the design of Canadian Breweries Ltd. to prevent or lessen competition further by making arrangements with its remaining competitors for the division of business and the fixing of prices.

Canadian Breweries Ltd. has created a quasi-monopoly situation in which the likelihood of maintaining active competition is greatly lessened.

It was the design of Canadian Breweries Ltd. to use its position to influence public opinion and legislative policy in a direction which would favor the aggrandisement of the industry.

The policies of Canadian Breweries Ltd. have endangered the continued independence of the entire brewing industry in Canada, or large segments thereof, by creating a situation which is almost inevitably bound to give rise to public demand for Government intervention on an increased scale.

The past history of Canadian Breweries Ltd. and the expressed views of those who direct its operations make it clear that further concentration of the industry by the acquiring of ownership or control over additional competitors by Canadian Breweries Ltd. is to be expected.

3: Canadian Breweries Ltd., by reason of the substantial control that it has acquired over the brewing industry in Canada; by reason of the manner in which such control was acquired; and by reason of the manner in which it has been exercised and is likely to be exercised; also falls under paragraph (ii).

4: It is alleged that E. P. Taylor is a party to the said combine. The Statement of Evidence describes Mr. Taylor as having conceived the idea, about 1927, of promoting a merger in the brewing industry in Southern Ontario and as having been active in that direction until 1930, in which year, in association with C. S. Jennison, he organized the company which subsequently was renamed Canadian Breweries Ltd. Mr. Jennison died in 1931. Mr. Taylor has been a director of Canadian Breweries Ltd. since its incorporation in 1930, president from that year until 1944, and chairman of the board of directors since 1944.

Findings of Fact:

(a) From the date of its incorporation in 1930, Canadian Breweries Ltd. has pursued a deliberate planned program designed to place the company in a dominant controlling position in the brewing industry.

(b) By the year 1953 the company had acquired 23 brewing companies in Ontario and had closed 12 of them, concentrating all production in those remaining.

(c) In 1953, apart from Canadian Breweries subsidiaries, there were only two brewing companies producing beer in the whole of Southern Ontario, viz., Labatt's, a large strong company, and the small Formosa Company. In addition, Molson's of Montreal was in competition with Canadian Breweries by means of exports to Ontario from its Montreal plant. Molson's is now constructing a new large plant at Toronto.

(d) In 1943 Canadian Breweries raised its sights and began to take steps designed to repeat in the four provinces of Western Canada, the acquisition and closure program it had successfully pursued in Ontario. It had arranged the merger of two brewing organizations under the new name of Western Canada Breweries Ltd. The new company owned breweries in Manitoba, Saskatchewan and British Columbia, had purchased a controlling interest in a small new brewery at Red Deer, Alta., and in conjunction with Mr. Taylor and his associates had secured control of another small brewery in Manitoba. The influence of Canadian Breweries Ltd. in the management of Western Canada Breweries Ltd. appears to have been greater than its shareholding might indicate, but the evidence did not satisfy us that it had secured control in a practical sense.

(e) A substantial number of other breweries operate in the four Western provinces, not controlled in any way by Canadian Breweries.

(f) In March, 1952, Canadian Breweries acquired control of National Breweries Ltd., and became an important producer in Quebec.

(g) Canadian Breweries in recent years has had considerably more than half the capacity, production and sales of beer in Ontario.

(h) Even with the acquisition

(Continued on page 23)

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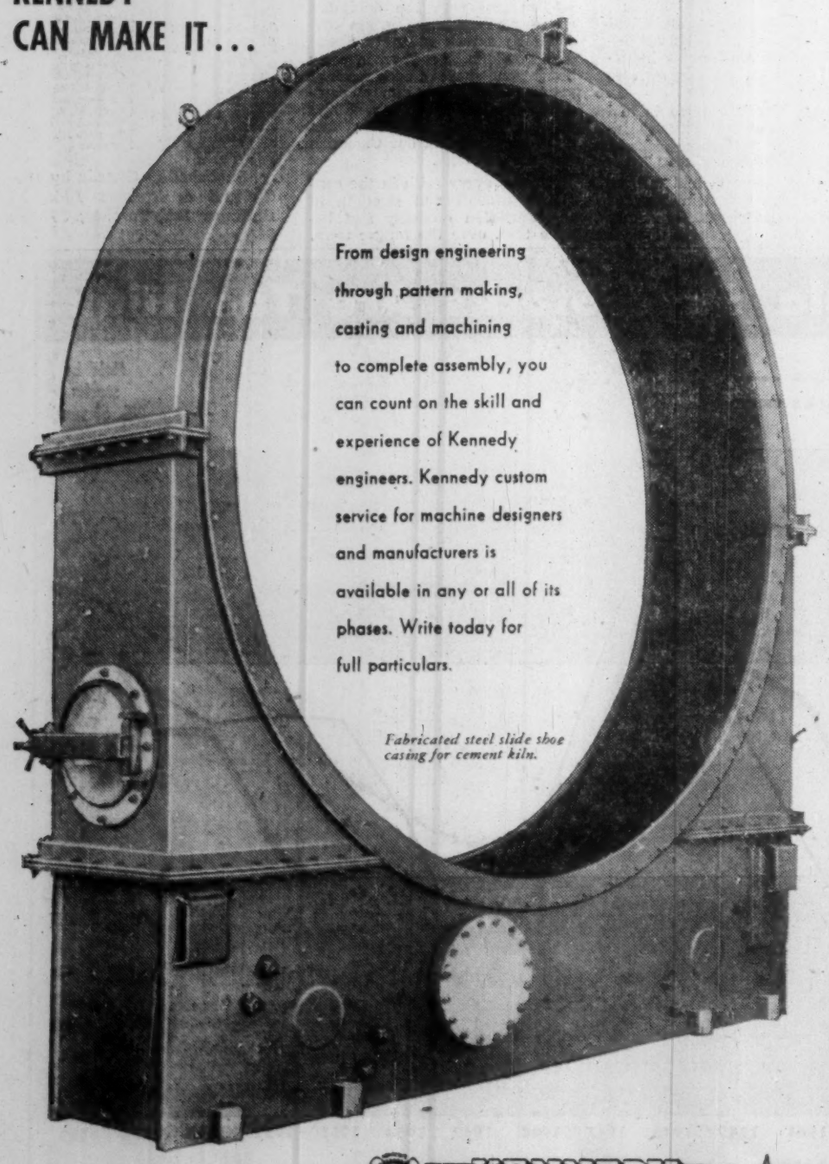

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Here's How-Combines Cops View Growth

(Continued from page 22)

of National Breweries, Canadian Breweries still has substantially less than half the business in Quebec.

(i) In both Ontario and Quebec strong competition is offered to Canadian Breweries by Molson's and Labatt's, more particularly by Molson's in Quebec and Labatt's in Ontario. This competition should be intensified by reason of a large Molson's plant now under construction in Toronto and a large Labatt's plant being constructed at Montreal.

(j) The commission finds no evidence that the activities pursued by Canadian breweries in the United States and the United Kingdom have had any influence upon the merger and acquisition program carried on in Canada.

(k) Mr. E. P. Taylor . . . was undoubtedly the moving spirit in the organization and development of the company.

Conclusions as to the Public Interest:

(a) Acquisitions Effected

In substance, it is the opinion of the commission:

(i) That the various acquisitions of rival brewing companies effected by Canadian Breweries in the course of the period under study were made for the purpose of carrying out a deliberate plan for the closing, selling or dismantling of a great number of these breweries after their acquisition, and the concentration of all capacity and production in a few selected large plants, the whole designed to eliminate competition, and obtain a position of dominant control of the industry, first within Ontario and later within Quebec and the Western Provinces;

(ii) That, both because of the purpose sought to be achieved and because of the methods employed for achieving them, these successive mergers were objectionable;

(iii) That, by reason of this planned program and the consequent arbitrary elimination of competition, the consumer public was deprived of the benefits which otherwise might have been expected to flow from the normal interplay of competitive factors in the market;

(iv) That, as a result of the activities disclosed in this inquiry, the public has been and still is deprived of opportunty to choose from a wide and diversified range of brands, types and quantities of beer, the number of brands acquired in Ontario having been reduced deliberately by the company from some 150 to 9 only;

(v) That, generally, the merger and closure activities pursued by Canadian Breweries Ltd. throughout that period were monopolistic in their nature and were not in the public interest.

(b) Situation with Respect to Control

In substance it is opinion of the commission:

(i) That Canadian Breweries is not today in either substantial or complete control of the brewing industry, either throughout Canada or throughout an important area or district in Canada, to the detriment and against the interest of the public;

(ii) That, in the Maritime Provinces, it has made no attempt to attain a position of dominance in the industry;

(iii) That, in Ontario and Quebec, it is faced with strong and increasing competition from two large brewing enterprises, John Labatt's Ltd. and Molson's Brewery;

(iv) That, neither in Ontario and Quebec, nor in the Western Provinces, nor in Canada generally, is Canadian Breweries in a position to dominate the beer market. It does not possess the power to dictate prices or eliminate competition, except with the voluntary and illegal agreement of its rivals.

Suggested Remedies:

The conclusions we have just stated lead us to suggest that for the purpose of avoiding any development detrimental to the public, the necessary steps might be taken:

(i) To prevent Canadian Breweries Ltd. from expanding further by acquiring, directly or indirectly, either the assets or a controlling interest in the capital stock of any of its competitors in Canada;

(ii) To prevent Canadian Breweries Ltd. from acquiring, either directly or indirectly, any additional shares in the capital stock of Western Canada Breweries Ltd.;

(iii) To prevent any officer, director or agent of Canadian Breweries Ltd. from becoming or continuing to be an officer or director of Western Canada Breweries Ltd.;

(iv) To prevent Canadian Breweries Ltd., its directors and officers from entering into any agreement, arrangement or understanding with any of its competitors in Canada for the purpose of regulating prices in the brewing industry, or for the purpose of preventing or lessening competition in the brewing industry in Canada or in any area or district thereof.

The Brewing Industry in Ontario:

There are about 60 breweries in Canada. The selling value at the factory of their output for 1952 was $274,418,064, from which sales tax and duties totaling $113,259,031 were paid to the federal and provincial governments, leaving a net production value of $161,159,033.

Of the 60 breweries, 47 under control of nine corporate groups accounted for about 75% of production and 13 independent companies produced the remaining 25%. Apart from the large Molson Company in Montreal, the individually owned and operated breweries produced only about 5% of the total production in 1952.

Facts on Industry

PRODUCTION
(in millions of gallons)

	Canada	Ontario	Que.
1929	62.0	15.3	30.7
1933	37.9	8.6	19.5
1953	213.2	84.1	69.7

(source: DBS Reports on the Brewing Industry 1929-1953)

CANADA
AVERAGES FOR THE PERIOD 1949-1952

	Capacity	Production	Sales
Canadian Breweries ..	44.7	42.6	42.9
Western Canada Breweries ...	5.4	5.5	5.5
Grant's Breweries ..	0.4	0.2	0.2
	50.5	48.3	48.6
All other breweries in Canada .	49.5	51.7	51.4
	100.0	100.0	100.0

SALES
(in millions of gallons)

	1953	1954
Canadian Breweries	82.99	85.20
Western Canada Breweries	11.09	11.52
Total Canadian Breweries plus Western Canada Breweries	94.08	96.72
Molson's	41.07	35.96
Labatt's	27.21	27.07
Total of Molson's plus Labatt's	68.28	63.03

Canadian Breweries Ltd. in Ontario:

In the period 1930-53, Canadian Breweries acquired 23 brewing companies in Ontario. The most common method of gaining control was by exchange of shares, but in some instances shares or assets were bought for cash and in at least one case a mortgage was purchased and then foreclosed against the company under acquisition.

Although 12 of 23 plants were closed down, improvements in the remaining 11 have resulted in the productive capacity of the company being almost tripled. The totals are:

Capacity in the 1930s of 21 plants — 1.140 million bbls.

Capacity in 1954 of 10 plants — 3.112 million bbls.

To effect this improvement in the 10 plants, Canadian Breweries made capital expenditures on buildings and machinery of over $30 millions. Exhibit 23 giving a comparison of productive capacity, does not correspond exactly to the 23 plants acquired in Ontario because it includes a plant acquired in Quebec and leaves out two purchased in Ontario.

Another result was the disappearance of brands. The drop in name brands over the entire industry in Ontario was estimated by Mr. Taylor in a letter dated Feb. 2, 1945: ". . . we have reduced the number of brands from several hundred to only nine today . . ."

Letters written by Mr. Taylor in 1932, show that as early as that year he proposed to other brewing companies that the large brewing concerns in Ontario should form a company or syndicate for the purpose of purchasing and closing small breweries which, because of financial difficulties or other reasons, might come on the market for sale. In one letter he said:

"When a small brewery fails, the situation can usually be controlled for a very small sum of money and if this was divided among five or six larger brewers, the contribution for any one would be almost insignificant."

The directors of Brewers' Warehousing Co. Ltd. adopted a "Code of Ethics" proposed by Mr. Taylor July 19, 1934, just after proclamation of the Liquor Control Act amendments authorizing sale of beer in hotels.

The Statement of Evidence recites efforts by Mr. Taylor to police various breweries into obeying this Code, but only one instance of direct action is described in the Statement. This was in November, 1934, when a temporary and local reduction was made by British American, one of Mr. Taylor's companies, in the price of draught beer to meet what Mr. Taylor described as unethical tactics used by the Walkerville Brewery Ltd. to get business and the "open price cutting by two Border City Breweries."

In 1945, the breweries selling beer in Ontario formed the Ontario Brewers' Association, to take over from Brewers' Warehousing Co. Ltd. functions other than the regular merchandising and marketing operations. The association instituted a "Fair Trade Agreement" in 1947. This agreement was similar to one prevailing in Quebec and was, in fact, drafted after the terms of another agreement in use in the Maritimes. In forwarding the draft agreement to the association, its solicitor wrote that, in preparing it he had followed the agreement in force in the Maritimes, to which Canadian Breweries, Labatt's, National Breweries and Molson's were also parties. These companies were also the parties to the Quebec agreement.

The Ontario Agreement contained the usual covenants not to seek sales through concessions to licensees by, e.g.: loans and guarantees; having an interest in retail outlets; tied houses; allowances and rebates; free samples; "treating."

Extension to Quebec:

On purchasing Carling's of London, Ont., in 1930, Canadian Breweries had obtained a bottling plant in Montreal which was continued in operation, even though in many years its business was not profitable.

In 1950, Canadian Breweries decided that construction of productive facilities in Quebec would be more economical than paying freight on beer from Ontario. Land was purchased outside Montreal and plans were drafted by the engineering department of Canadian Breweries. Steel supply was held up by the 1950 defense program and meanwhile, Wilfrid Gagnon of Montreal, a director of Canadian Breweries, suggested to Mr. Taylor that it was unnecessary to build more brewing capacity, since National Breweries was operating below capacity and might be acquired. Mr. Taylor knew that National was in trouble and entered into discussions with its president, Norman Dawes, in 1951. A share exchange proposal was made toward the end of May of that year.

According to the Statement of Evidence, the end of the struggle for control of National Breweries Ltd. came at the annual meeting of the shareholders of the company held on March 19, 1952, when an entirely new board of directors and two senior executive officials were appointed on behalf of E. P. Taylor and his associates. For all practical purposes control of National Breweries was acquired at this time.

Western Canada Breweries:

By 1948, Canadian Breweries owned shares in two western companies, viz., approximately 30,000 shares in Western Breweries Ltd. of Winnipeg, with breweries in Manitoba and Saskatchewan and approximately 45,000 shares in Brewers & Distillers of Vancouver Ltd., of which Vancouver Breweries Ltd. was a wholly owned subsidiary. Mr. Taylor wrote:

"Briefly, it is our plan to build up in the four western provinces a strong and robust brewing consolidation in the same manner that Canadian Breweries Ltd. was put together and developed in Eastern Canada . . ."

In addition to the plants in Manitoba, Saskatchewan and British Coloumbia acquired through the combination of the Vancouver and Winnipeg com-

(Continued on page 24)

Loblaw Circus Tie-up Sells Groceries And The Children

Rainy weather and a dissatisfied service club have resulted in a new merchandising scheme for Loblaw Groceterias—a circus.

Seventy Loblaw stores in the Toronto and Oakville district handed out free children's tickets for Clyde Brothers' Circus to parents making purchases worth $3 or more. The circus was held at Maple Leaf Stadium in Toronto last week.

Advertising officials report sales went up and now are investigating how much the circus had to do with it. An estimated 100,000 tickets were handed out.

It all started last year when Clyde Brothers was bogged down by rain and cold weather during a three-day stand in Toronto. Rani Ghar Grotto, sponsors on a split-profit basis, didn't make money on the deal and other service clubs were luke-warm when approached this year.

The circus was in a spot. With the cost of acts and equipment running to almost $3,000 a day, some way had to be found to fill in the empty space on the travel timetable.

"We were stuck," explained business manager Tom Parker. "No matter how we planned it we couldn't by-pass Toronto. And we sure didn't want to underwrite the whole mut ourselves.

"So we thought a while and picked the biggest and hottest operation we could find (Loblaws).

"They liked the idea. Circus and groceries were a good combination. From then on it was just a case of working out a final plan."

Loblaws paid about half the overhead for the four-day stand and printed free programs and shared in the publicity.

As for the circus, adult admissions covered expenses.

See Irish Moss Important Crop

Irish moss is a crop that may increase a great deal in importance in the Maritimes. It brought around $300,000 income to fishermen and others last year.

They gather it from rocks to which it clings along the shores of Nova Scotia and New Brunswick, (except on the Bay of Fundy). Or they pick it up on beach in Prince Edward Island, where it is washed ashore from the sandstone sea bottom where it grows. It is found from just above low water level down to a depth of 20 ft.

The product is graded, to ensure high quality. Competition is keen from other countries. (Maritime gathering started when the war cut off European supplies.)

An extract, carrageenin, is the product that really creates the demand. Its uses are manifold: in ice cream, pudding powders, hand lotions, shoe polishes, shaving cream, cough medicine.

It is also used in leather dressings, as a size for cloth, a thickener for colors in calico printing, in candy and for clearing beer.

Kilgour To Head Great-West Life

D. E. Kilgour, general manager of Great-West Life Assurance Co., Winnipeg, was appointed chief executive officer of the company when H. W. Manning relinquished the office of managing director May 31.

Mr. Manning will remain a vice-president and director, and continue to take an active part in company affairs.

Australia

from a business point of view

This booklet will assist anyone contemplating establishing a business in Australia, whether it is a small retail business or a large manufacturing company.

Written with the authority of Australia's oldest and largest joint-stock bank, it offers those who wish to start a new enterprise in that young but growing country a short account of the framework of business organization throughout the Commonwealth of Australia. It also affords some knowledge of the problems and conditions which would be met.

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CORPORATE CONSTRUCTION NEWS
re: FINE CHEMICALS OF CANADA LIMITED

Fine Chemicals of Canada Limited, manufacturers of pharmaceutical products, has expanded its facilities through the erection of a single-storey addition to the company's plant. Total floor area is now about 30,000 square feet with room for further expansion on the five acre site.

The addition will permit the company to install new process machinery for the production of a broader range of pharmaceutical chemicals.

ARCHITECT: N. A. Armstrong
CONSULTING ENGINEER: Nicholas Fodor
GENERAL CONTRACTORS: Chestnut McGregor Ltd.
HEATING CONTRACTOR: Universal Plumbing & Heating Co. Ltd.

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Where People Count...

SOMETIMES it's hard to choose between one good product and another. Especially if it's a roof.

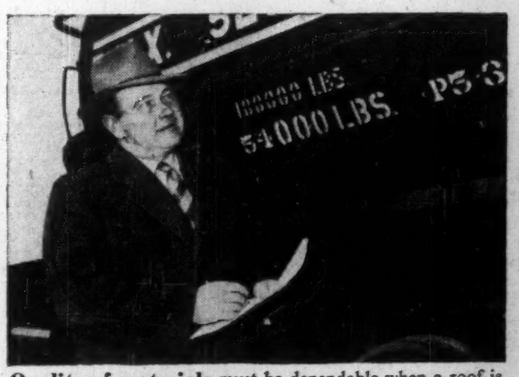
Good industrial roofs often look alike. They're made of similar materials and they're applied in much the same way. But as with every product, there's a *best* roof — one that sets the standard for the rest.

That roof is Barrett. And more than anything, it's best because of the Barrett people.

The men and women who work at Barrett are interested in their jobs and in the service they can give. They work for Barrett because they like what they are doing.

This human factor makes a difference in the finished product. It's why we say people count. It's why more and more Canadians are deciding that Barrett are good people to do business with.

Simpson-Sears new Kenmore Service Building at Etobicoke (Toronto) is a major undertaking, calls for a Built-Up Roof covering 300,000 square feet. Checking the job here, with Thomas A. Hastie, Plant Engineer (left) is Barrett Inspector, Paddy McIlroy. Paddy has many years experience with felt, pitch and gravel roofs, serves Barrett customers today as a qualified inspector-salesman.



Quality of materials must be dependable when a roof is built to last 20 years or more. That's why Plant Superintendent Jack Wichman "counts" to Barrett customers. Jack has watched over Barrett's manufacturing for many years, has had a real effect on the reputation of Barrett roofs.

"On the firing line" is veteran pitch-distiller Doug Marchant. Doug controls the "firing" of the still in Barrett's Toronto plant, sees that temperatures and other conditions meet the exacting specifications called for by Barrett's high quality standards.

"Between the World and the Weather Since 1854"

Barrett*
THE BARRETT COMPANY, LIMITED
Offices in Halifax, Montreal, Toronto, Winnipeg and Vancouver
*Reg'd Trade Mark

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Getting Ahead

Astute businessmen plan for success; they read The Financial Post because it helps them make right decisions. Yearly by mail $6; 2 years $11.

How Combines Cops View Growth

(Continued from page 23)

panies under the name Western Canada Breweries, control of two other companies was obtained.

The last step in the western development was the acquisition of a property in Alberta.

Argument on Behalf of the Director:

Counsel for the Director of Investigation and Research submitted that the basic facts set out in the Statement of Evidence had not been controverted by evidence at the hearing. These facts were derived from many documents which clearly show the plan and design for the organization and development of Canadian Breweries Ltd. He suggested that the design might be epitomized in an extract from a letter dated May 22, 1934, written by Mr. Taylor to J. A. MacDonald:

"I am sure that we now have the power to control prices and sales practices in the industry and while it may be necessary for us to start local price wars here and there to discipline a small competitor I am sure the profits will prove most gratifying to the shareholders."

Counsel argued that the plan had been pursued from its beginning in 1929 and 1930, and had not yet reached its complete fulfillment.

There was nothing accidental about what occurred. Nor did it flow from the inevitable economics of large-scale production.

Power was obtained and competition was eliminated by deliberate, direct, intentional acts.

It is clear that the purpose of the promoters of Canadian Breweries Ltd. were primarily strategic and financial — the financial gains to be obtained by corporate reorganization and promotion, and the strategic gains to be obtained by control of the market. Market control, not efficiency, was the objective. If the purpose had been merely one of technological improvement in the industry, it would have been easier, instead of buying up many plants and closing down many of those acquired, to build a new plant, or to take over one or two plants and refurbish them, concentrating on efficiency and the advantages of large-scale production.

Counsel argued that the main concern of our Canadian legislation is to prevent deliberate and substantial interference with normal competitive forces, such as had occurred here. He maintained that, if the commission were to attempt in each case to determine whether or not the industry in question was a good thing from the point of view of the public interest, it would really become a super public utility board for every industry and this was not the commission's function. Our legislation makes it clear that, regardless of the results at the particular moment, deliberate and substantial interference with competition is condemned in principle and, for social, economic and political reasons, should not be allowed.

Our law does not require absolute 100% control to establish a monopoly. Substantial control is quite sufficient. A prevailing influence will do. It is not necessary to show control at all times and all places and in all parts of the market and for all purposes.

Counsel said that effective competition required certain standards, namely:

(a) A reasonably large number of competitors.

(b) No single competitor in control of a significant segment of the market.

(c) No element of collusion between competitors.

(d) No artificial barriers to entry by new firms.

(e) It should result in proper utilization of resources.

He stated none of these standards fits the market situation in this case.

Argument on Behalf of Canadian Breweries Ltd.

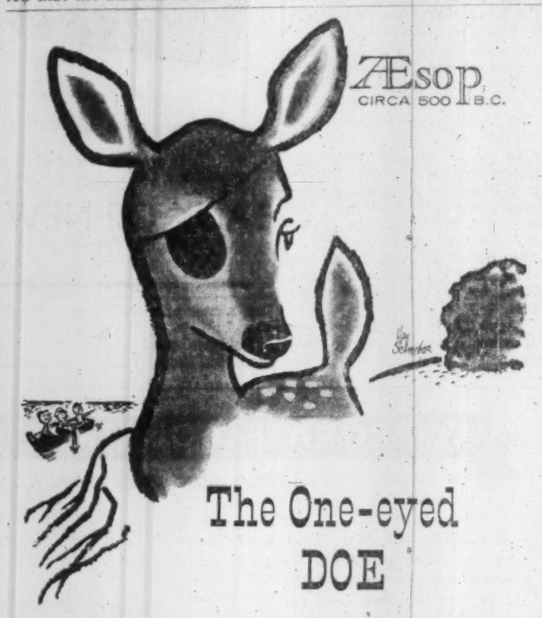
Counsel for Canadian Breweries Ltd. and E. P. Taylor contended that the evidence before the commission supported the position taken by them at the opening of the hearing, viz.:

"The allegations of detriment are unfounded in law and in fact, both as against Canadian Breweries Ltd. and as against E. P. Taylor. Canadian Breweries Ltd. is not, within the meaning of the Combines Investigation Act, a combine or merger, trust or monopoly which has operated to the detriment or against the interests of the public, whether consumers, producers or others. E. P. Taylor has not been and is not a party to a combine within the meaning of the said Act."

Particular emphasis was laid on the question of public detriment. Counsel stated:

"That is the point I emphasize most. If there is no detriment, there is no need to complain. Even if we merge again tomorrow, and there is no detriment, there is no offense."

Counsel admitted that from the incorporation of the company in 1930 there had been a merger plan for Ontario, and that in accordance with the plan 23 breweries in Southern Ontario had been merged, but argued that the company was not in a position of control of the industry in Ontario, that the position created by the consolidation effected had not injured anyone, and that what had been done was not and is not detrimental to the public, but on the contrary was and is positively beneficial and in the public interest. Similarly, it was argued that no detrimental effects had flowed from Canadian Breweries' activities in Western Canada nor from its acquisition of National Breweries Ltd. in Montreal.



The One-eyed DOE

She always grazed near the ocean so she could keep her good eye toward the land for any sign of danger. But one day some sailors rowing by proved with a single bow-shot that danger comes from the direction you least expect it.

Which is something that any number of investors already know. Even with both eyes open, these experienced people realize they can still have a blind spot when it comes to their own stocks, their own portfolios.

That's why we think so many of them write to our Research Department once or twice a year, ask for an unbiased and up-to-date analysis of their investments—and get it.

There's no charge for such a review either. It's yours for the asking, customer or not, if you just write to—

T. GORDON CROTTY, *Manager — Dept. ZG-32*

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INVESTMENT FUNDS

The Portfolio Of Templeton Growth Fund

Templeton Growth Fund of Canada, one of the many U.S.-sponsored investment funds formed to invest in Canadian securities for long-term growth, has issued its first report covering the five months ended April 30.

Net asset value was $7,033,745 at April 30, equal to $20.63 a share Canadian funds and $20.89 U.S. funds. There were 340,687 shares outstanding, held by 1,060 shareholders. The fund was incorporated Sept. 1, 1954, and started operations Dec. 1.

The report says that quarterly statements showing portfolio status at July 31 and Jan. 31 and a semiannual report as of Oct. 31 will be issued regularly as well as an annual statement dated April 30.

Bulk of the fund's common shareholdings are in forest products which make up 12.5% of total net asset value. Metals and mining issues account for 11.9% of assets. Altogether, common equities comprise 61.3% and preferred shares make up 18.7% of the portfolio.

Here is the company's first published list of investments.

HOLDINGS OF TEMPLETON GROWTH FUND OF CANADA

April 30, 1955 (in Canadian Dollars)

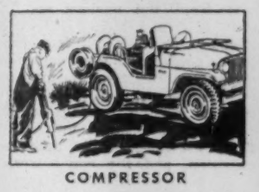
Bonds & Debentures Principal Amount		Quoted Value $
	Canadian	
$200,000	Cdn. Petrofina Ltd., 4% debs. due 5/1/72	206,250
	Govt. of Canada Treasury Bills:	
100,000	Due 5/20/55	99,942
200,000	Due 6/3/55	199,786
500,000	Due 7/22/55	498,594
		798,324
		1,004,574
	Foreign	
775,000	Bols. Centro Simon Bolivar (Venezuela) 6% due 10/21/61	194,521
£120,000	U. K. Treas. Bills due 2/27/59	328,303
		522,824
	Total Cdn. & Foreign Obligations	1,527,398
	Preferred Stocks	
750	B. C. Tele., 4¾% cum.	75,750
3,000	Cdn. Breweries, $1.25 cum. conv.	87,750
475	Dom. Glass, 7% cum.	8,312
1,200	Fed. Grain, $1.40 cum.	36,300
20,000	Imp. Tobacco, 6% cum.	217,500
2,000	Indust. Acc., 4½% cum.	206,000
2,000	Massey-Harris-Ferguson 4½% cum. conv.	210,000
1,005	Ogilvie Flour Mills, 7% cum.	163,815
5,000	Quebec-Tele., 5% cum.	102,500
4,000	Shawinigan Water and Pwr., Ser. A 4% cum.	206,000
	Total Preferred	1,315,927
	Common Stocks:	
No. of Shares	**Automotive**	
3,000	Ford Motor of Can. A	323,250
	Chemical	
10,000	Cdn. Chem. & Cellulose	98,750
	Electrical Equipment	
300	N. V. Philips' Gloeilampenfabrieken	308,400
	Food and Beverage	
9,000	Canadian Breweries	235,800
	Forest Products	
9,000	Abitibi Pwr. & Pap.	272,250
3,125	Bathurst Pwr. & Pap.	151,562
1,400	B. C. Forest Products	15,400
5,650	MacMillan & Bloedel B	190,687
500	Powell River	24,250
3,000	St. Lawrence Corp.	211,500
900	Western Plywood B	11,250
		876,899
	Investment Companies	
4,000	Argus Corp.	96,000
	Merchandising	
2,000	Dominion Stores	63,000
4,500	Loblaw Groc. Co. B	338,625
3,000	Zeller's Limited	81,000
		482,625
	Metals and Mining	
2,700	Aluminium Ltd.	249,885
10,000	Bathurst Mining Corp.	23,500
8,000	Cons. Min. & Smelt.	252,080
9,800	Falconbridge Nickel M.	257,250
10,000	Maritimes Min. Corp.	23,400
900	Ventures Limited	28,350
		834,465
	Petroleum	
11,000	Brit. Amer. Oil	292,875
10,000	Home Oil	97,500
2,000	Imperial Oil	72,900
		463,275
	Public Utilities	
3,700	Power Corp.	205,812
2,500	Shawinigan Wat. & Pr.	142,500
		348,312
	Miscellaneous	
9,000	C. P. R.	240,240
	Total Common	4,308,016
	Total Securities	7,151,341
	Cash & Net Receiv's $	—117,596
	Total Net assets	7,033,745

When the going's too rough for others

a 'Jeep' 4 Wheel-drive VEHICLE will take it in!

'JEEP'-A-TRENCH

DOZER BLADE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Wherever the job, regardless of weather or ground conditions, a sure-footed 'Jeep' vehicle will get there, with men, equipment or payload. Shifting instantly from 2-wheel drive to the added traction of all four wheels, they go through sand, mud, snow and navigate the steepest grades with ease.

The most versatile vehicles ever built!

CJ-5 'JEEP'

'JEEP' STATION WAGON

Every 'Jeep' vehicle has 3 power take-off points available. Each is a mobile power plant, delivers ready auxiliary power anywhere to operate compressors, generators, belt-driven equipment and winches. And there's over fifty pieces of special equipment to make 'Jeep' 4-wheel drive vehicles the handiest, most useful and profitable investment any business could make!

'JEEP' SEDAN DELIVERY

For the toughest "impossible" jobs the world automatically thinks of 'Jeep'

KW-142S

KAISER-WILLYS OF CANADA LTD.
WINDSOR · ONTARIO
Canada's most useful vehicles

50,000,000 times a day . . . IT'S A MATTER OF PREFERENCE—

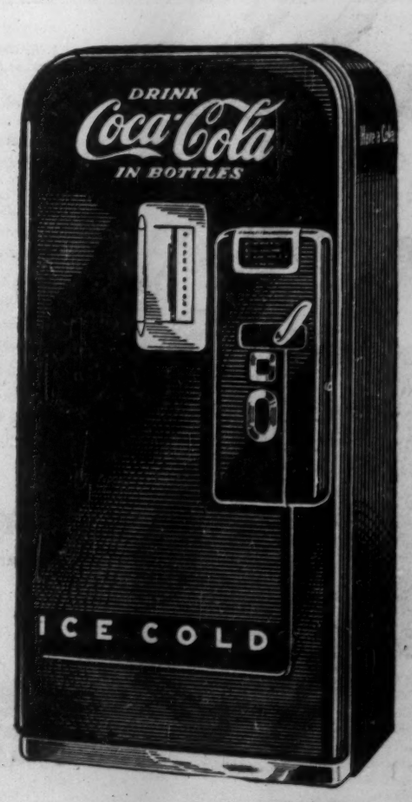
Coca-Cola is the most asked-for soft drink among people "on the job"*

As they work, Canadians drink far more Coca-Cola than any other soft drink.

Reports from management in offices and industrial plants prove that time is saved and efficiency maintained when an automatic coin cooler for Coca-Cola is installed to provide welcome refreshment during "break" periods.

What's more, for all kinds of business establishments which have to receive the public, Coca-Cola on the premises has proved its worth in helping to put people in a friendly frame of mind, an important contribution to goodwill.

*1954 surveys by Alfred Politz Research, Inc.



Yes, you'll find *your* staff will appreciate having Coca-Cola close at hand, ready and waiting to send them back to work *refreshed*. The profits from a coin cooler can be a source of extra revenue for some worthy firm-sponsored cause.

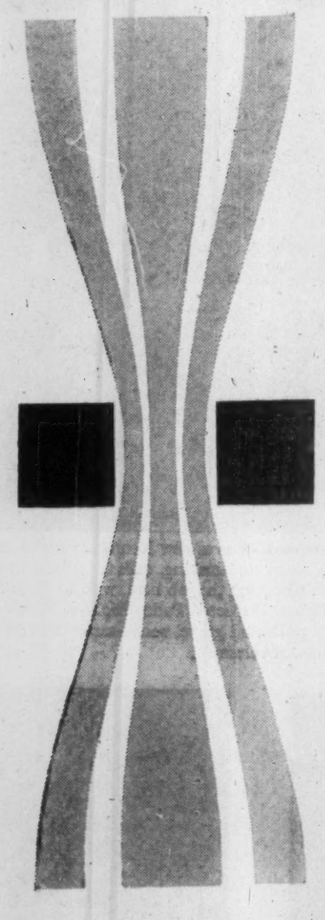
The automatic coin cooler for Coca-Cola is the ideal equipment for office, factory and institution. Either size (the Vendo 39 shown here, or the Vendo 83) takes up very little space . . . costs next to nothing to operate . . . quickly pays for itself out of profits. It is fully automatic—employees serve themselves, the cooler collects the money.

Get in touch with your local Coca-Cola representative and let him show you how an automatic coin cooler for Coca-Cola can perform a valuable service in your place of business.

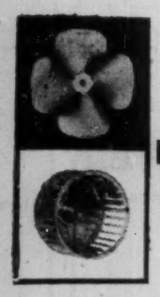
IT HELPS EMPLOYEES TO WORK BETTER...REFRESHED!

"COKE" IS A REGISTERED TRADE MARK

COCA-COLA LTD.



No air-moving appliance can be better than the most vital component: the air impeller. And no one has had more experience in the design and manufacture of air impellers than Torrington.



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New Warehouse Will Store Frozen Foods

A booming frozen foods industry and sharp rise in demand for refrigerated warehouse space are reflected in construction of a million dollar warehouse due to open in Toronto this month.

The Ayer Storage (Ontario) warehouse will provide some 1.7 million cu. ft. of refrigerated space for freezing, storage and distribution of foods. In addition to storage space, the plant has a separate refrigerating equipment building and a one-story office building.

Facilities include a 280-ft. loading platform capable of handling 35 tractor-trailer trucks at a time. A freezing unit at the loading platform has been installed to prevent temperature change during transfer of foods from truck to storage room. The building, of reinforced concrete and steel, is encased with a six-inch layer of cork insulation—totaling 1,296,000 sq. ft. of one-inch sheets installed by 50 men working over a two-month period.

Among firms looking space in the 15 storage rooms are Swift-Canadian, Canada Packers, Minute-Maid Corp., J. William Horsey Corp., Booth Fisheries Inc., Morton Packing Co., Aroostook Potato Growers Inc., and Clinton Foods Ltd. Temperature in the cold rooms will be kept at 0 deg. F., with a sharp-freeze room at 35 deg. below zero.

The warehouse was designed by D. N. McIntosh with construction by Richard and B. A. Ryan Ltd., Toronto. Canadian Ice Machine Co. installed the refrigerating equipment.

ONE VIEW OF THE MARKET

Here Are Stocks Traded By Great-West Life in '54

Canadian life insurance companies have an investment of $80 millions in Canadian stocks. As a service to its readers, The Financial Post presents here one of a series reporting on the holdings of individual companies, as well as changes in their portfolios of Canadian preferred and common stocks last year.

Great-West Life Assurance Co., Winnipeg, in 1954 increased its holdings of preferred stocks from 2.1% to 2.4% of total invested assets. Common stockholdings remained unchanged at 0.5% of the total. Stocks were carried at $14,691,961 on the balance sheet at Dec. 31, 1954.

Only changes in the Great-West portfolio during 1954 were the redemption of 469 shares of Fraser Cos. 4¾% cumulative preferred stock, and the exchanges resulting from the reorganization of Canadian Industries Ltd. into two firms.

Here are holdings of Canadian preferred and common stocks at Dec. 31, 1954, together with changes from the previous year-end:

	Shares held at Dec. 31	Change since Dec. 31
Preferred	**1954**	**1953**
B.C. Electric 4½%	1,000	....
B.C. Telephone 6%	10	....
N.S. Lt. & Pwr. 4½%	1,000	....
Saguenay Pwr. 4½%	950	....
Shawin. W. & P. 4½% B	4,290	....
S. Canada Pwr. 6%	500	....
Alum. Co. of Can. 5¼%	2,625	....
Cdn. Cel. Ltd. $1.75	1,500	....
C-I-L 7%	....	*—500
C.I.L. ('54) 7½%	500	*+500
Dom. Glass 7%	1,200	....
Dom. Textile 7%	131	....
DuPont of Can. Sec. 7½%	500	*+500
Fraser Cos. 4¾%	....	—469
Goodyear Tire 4%	2,000	....
Henry Morgan 4½%	1,000	....
Imp. Varnish $1.50	1,000	....
Moore Corp. 4%	1,300	....
Nat. Grocers $1.50	300	....
Howard Smith $2	9,300	....
West. Grocers $1.40	500	....
Common		
Aluminium Ltd.	2,420	....
B.A. Oil	2,600	....
Cdn. Celanese	648	....
C-I-L	....	*—500
C.I.L. ('54)	550	*+550
Dominion Bank	1,100	....
DuPont of Can. Sec.	550	*+550
Ford of Can. A	850	....
Imp. Varnish & Color	500	....
Noranda Mines	1,050	....
Ogilvie Flour	1,400	....
Steel Co. of Canada	800	....
West. Grocers Ltd.	300	....

*Exchange of shares on reorganization of Canadian Industries Ltd. into two firms: C.I.L. 54 and DuPont of Canada Securities Ltd.

The company's invested assets at year-end consisted of 52.5% bonds, 35.4% mortgages, 4.3% policy loans, 2.9% stocks, 3.4% real estate and 1.5% other investments. An analysis of invested assets at the end of each of the last four years shows as follows:

Analysis of Invested Assets

	1954	1953	1952	1951
	%	%	%	%
Bonds:				
Government	16.9	22.3	25.4	29.0
Municipal	3.8	5.4	5.5	5.2
Other	29.8	29.9	28.6	28.0
Total	52.5	57.8	59.5	62.2
Mortgages:				
Farm	0.1	0.2	0.2	0.4
Urban	35.3	30.3	28.5	25.9
Total	35.4	30.5	28.7	26.3
Policy Loans	4.3	4.4	4.5	4.6
Stocks:				
(a) Preferred	2.4	2.1	2.1	2.3
(b) Common	0.5	0.5	0.5	0.5
Total	2.9	2.6	2.6	2.8
Real Estate	3.4	2.6	2.6	1.7
Other	1.5	2.1	2.1	2.4
Grand Total	100.0	100.0	100.0	100.0

Bank To Send 50 Boys To Scout Jamboree

Fifty Canadian Boy Scouts will win all-expense trips to the eighth World Jamboree to be held Aug. 18-28 at Niagara-on-the-Lake, Ont. All costs of travel and of 10 days at the Jamboree will be paid by Bank of Nova Scotia for 50 Scouts writing the best essays on "What It Means To Be A Scout."

Contest, sponsored by the bank in co-operation with the Boy Scout Association, is open to some 4,200 scouts across Canada. Deadline is June 30, after which winners in each province will be picked by three-man committees comprising representatives of the Boy Scout movement and the bank.

ANNOUNCEMENT

BURNS & CO., LIMITED ANNOUNCE NATIONAL EXECUTIVE APPOINTMENTS

R. J. Dinning, Chairman of the Board | H. R. Jackman, Chairman of the Executive Committee | Reginald S. Munn, President | J. Howard Kelly, Q.C., Vice-President | R. R. Furlong, Vice-President

Burns & Co. Limited, head office, Calgary, Alberta, has announced executive changes in its national organization. Mr. Dinning retires as President to continue as Chairman of the Board of Directors and President of the subsidiary company, Palm Dairies Limited. Mr. Jackman, Toronto, remains as Chairman of the Executive Committee and Director of the subsidiary companies, Palm Dairies Limited and Consolidated Fruit Co. Limited. Mr. Munn, a member of the firm for more than 40 years takes the office of President and in addition continues as President of the subsidiary company, Burns & Co. (Eastern) Limited, and Director of the subsidiary companies Palm Dairies Limited and Consolidated Fruit Co. Limited. Mr. Kelly, a member of the organization for 27 years is appointed Vice-President and in addition, President of the subsidiary company, Consolidated Fruit Co. Limited and continues as a Director of the subsidiary company, Palm Dairies Limited. Mr. Furlong, General Sales Manager and Director since 1942 is appointed Vice-President in charge of Marketing and Merchandising, and continues as a Director of the subsidiary company, Burns & Co. (Eastern) Limited.

$350,000 P.E.I. Food Plant Will Sell In Ont. and Que.

New plants are in prospect to boost production and markets for Prince Edward Island farm products.

A farmer group is sponsoring a $350,000 poultry fruit and vegetable processing plant. Two Ontario frozen food companies have been exploring plant possibilities on the island.

The processing plant will begin operation about Sept. 1, though all details are not definite as yet.

Marketing channels are still being lined up. A definite promise of new markets is evident from some of the developments in Labrador, and the northern territories of Quebec and Ontario, which can be readily served by water and air from Prince Edward Island.

In poultry, the plant will be able to kill and package about 3,000 birds a year or an annual total of more than one million birds. Present poultry production would not make it possible to use all this capacity the first year.

Island Co-op Services, associated with the venture, recently supplied farmers with plants to plant out about 175 acres of strawberries which will be available for processing next season.

A concentrated drive for cultivation of blueberries resulted in about 300 acres of blueberries being prepared during April and May for commercial production. Smaller quantities of rhubarb, raspberries and cherries are also being planted out.

Vegetable fields will be limited this year to production of corn, carrots and other fall vegetables. Next season plans are to have grown large acreages of peas and beans for processing.

Financing of the farmers' plant is being assisted through the industrial development loan policy of the Provincial Government.

Interp. Building Issues Will Finance Home Improvements

MONTREAL (Staff)—Two new issues of Interprovincial Building Credits Ltd. have been sold by W. C. Pitfield & Co.

One comprises $600,000 of 5% 15-year sinking fund notes series B, priced at 100 and accrued interest. The other includes 26,000 no par value common shares, sold at $14 each."

Proceeds will be used to finance home improvements on a time payment basis and for general corporate purposes. Additional purchases of time payment notes will be financed by the company's bankers, through borrowing on demand notes secured by pledge of receivables, the prospectus indicates.

Holders of the new notes will be entitled to buy 20 common shares for each $500 principal amount, at $14 a share to Oct. 31, 1956; then at $15.50 to April 30, 1958; and finally at $17.50 to April 30, 1960.

Interprovincial, in business since 1950, had some $8.1 millions of installment notes receivable at Feb. 28, 1955, the end of its latest fiscal year. It loaned $10.4 millions in the 1954-55 year, compared with $7.1 millions in 1953-54 and $5.7 millions in 1952-53.

Income totaled $1,140,707 in 1954-55, compared with $733,120 in 1953-54, and net profit rose to $145,961 from $104,933.

Interest on the sinking fund notes to be outstanding totals $61,592. Against this, 1954-55 earnings, after other interest but before income taxes, amounted to $308,096. A sinking fund to retire $40,000 annually of the B notes is to be provided.

Outstanding capitalization includes $574,000 5½% sinking fund notes series A, due 1962, $600,000 5% sinking fund notes series B and 102,359 common shares.

Total assets at Feb. 38, 1955, amounted to $8,397,263. Current assets were $8,187,888, and current liabilities $6,167,058 including secured bank loans of $6 millions.

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BORN 'UPFLO' HEATERS

Designed for

- Greater Efficiency
- Lower Construction Cost
- Lower Operating Costs
- Negligible Maintenance Cost
- Greater Safety
- Installed to meet your requirements

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AGENTS
Mackay-Morton Limited, Winnipeg, Manitoba
Mackay-Morton Limited (Saskatchewan), Regina, Sask.
Morton & Mitchell Specialties Limited, Vancouver, B.C.
York Agencies Limited, Calgary-Edmonton, Alta.

CREDIT UNION HELPS DOW CHEMICAL WORKERS MANAGE PERSONAL FINANCES

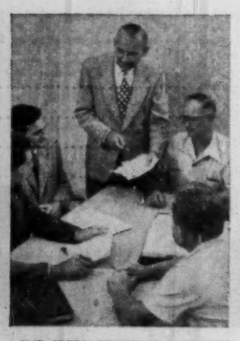
Employees find this self-help plan makes saving and bill-paying easier. For the company it solves many personnel problems and contributes to high morale

THE DOW CHEMICAL COMPANY'S *plant in Sarnia, Ontario, employs approximately 660 men and women. Dow is one of Canada's leading producers of chemicals.*

CREDIT UNION TREASURER Stan Pacenski (right) is well known to his fellow employees at Dow Chemical. Here he discusses with boiler-maker Julius Blasy (father of six children), the advantages of low-cost credit union loans to family men . . . Aim of credit unions is to give friendly, understanding help in personal money problems. Often credit unions provide life insurance on loans at no premium charge to borrowers.

"HAVING A CREDIT UNION right where we work makes saving a lot easier," says Dougald McLean, electrician. "It's given me the habit of putting something away each pay-day. My savings here pay better dividends than I ever got anywhere else." . . . As an added service, many credit unions automatically provide life insurance for savers. If a member dies, his family may receive not only his savings, but an equal amount of insurance money up to $1000.

DR. MARK E. PUTNAM, Executive Vice-President of The Dow Chemical Company, says, "I sincerely believe that we have today happier, more secure people, and a finer, more progressive community, because of the Dow Chemical Employees' Credit Union."



THE CREDIT UNION IS OPERATED by its members at no cost to management. Members take active interest in credit union affairs, serve when elected on Board of Directors (above). More than 20,000 credit unions now serve over 9 million people in the Western Hemisphere.

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Dept. F-10, Credit Union,
P.O. Box 63, Hamilton, Ontario

Please send me, without cost, complete information on organizing a credit union.

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.....
COMPANY NAME .....

THIS IS FOR YOU. If you are an employee of a company, or belong to a church, lodge or club with 50 or more people, you can have a credit union there and become a member. Talk it over with your friends. Then take the first, simple step to freedom from money worries. If you are an employer, encourage a credit union in your plant or office. Fill out and mail this coupon now. You'll get full information on how to join or help start a credit union.

COMPANY REPORTS

Paper Products

MERSEY PAPER CO., Brooklyn, Nova Scotia, consolidated net profit increased 14% to $3,058,331 in 1954 from $2,683,181 in 1954.

Production rose to a record 138,006 tons, exceeding daily average of the previous year by 5.5 tons, B. J. Waters, president, states. Sales kept pace with production.

Additions and improvements to plants totaled $499,629. Hurricane "Edna" caused severe damage to timberlands in western Nova Scotia, but it is hoped that most of the fallen timber can be salvaged over the next two years.

The parent company converted $507,271 of undistributed income into tax-paid undistributed income under Section 105 of the Income Tax Act by paying the 15% tax of $76,091.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Net earnings*	$6,508,918	$5,840,092
Less: Deprec.	536,598	590,455
Bond int.	24,500	31,500
Inc. tax prov.	2,869,489	2,334,956
Net profit	3,038,331	2,883,181
Less: Pref. divds.	313,065	315,969
Com. divds.	198,254	198,254
Surplus for year	2,547,012	2,168,958

*After depletion.

Times Bond Interest Earned‡:		
Before deprec.	265.67	185.40
After deprec.	242.95	166.66

‡After all other interest.

Earnings per Share and Dividend Record:		
Pref. 5% Earn.	$49.25	$42.63
Paid	5.00	5.00
Com.: Earned	13.85	11.94
Paid	1.00	†1.00

*Old stock.

†Plus stock divd. in 1953 and 1952 of one 5% cum. red. pref. sh. $100 par for each 33⅓ com. shs. held.

‡Changed to 5% pref. shs., July 2, 1952.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$3,355,955	$120,174
Accts. rec.	1,529,622	2,368,491
Inventories	4,294,409	3,945,693
Total curr. assets	9,179,986	6,434,358
Def. chgs.	127,374	29,180
Investments	89,430	84,483
Misc. assets	163,907	200,893
Fixed assets	21,446,571	21,084,056
Total assets	31,007,268	27,832,972
Accts., tax., etc., p.	2,377,431	1,994,615
Bonds due	200,000	200,000
Total curr. liabs.	2,577,431	2,194,615
Funded debt	400,000	600,000
Depreciation res.	10,838,650	10,341,787
Capital stock	8,167,188	8,251,488
Tax pd. undist. inc.	834,181	403,948
Cap. redemp. res.	519,647	434,400
Capital surplus	222,117	113,194
Earned surplus	7,448,054	5,493,560
Working capital	6,602,555	4,239,743

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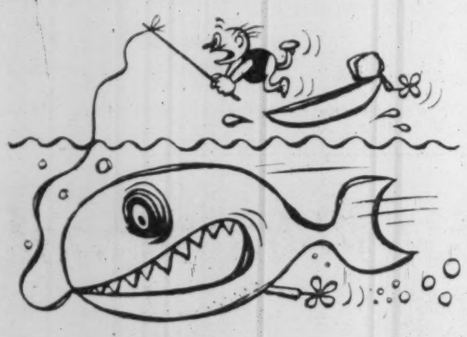
THINKING ABOUT PROFITS?

The people who conduct public opinion polls

asked a large number of Canadians this question:



"**How big** a profit do you think the average Canadian company makes?" Most people thought it was nearly 28% on the income dollar.

Then these people were asked what profit they thought a company **ought** to make. Most of them thought it was

about **half** as big as that, or around 16%. Actually, Imperial's profit last year was less

than **one-third** of what people thought we made, or a little more than 8%. Of this, just over 4% was distributed to Imperial's shareholders.

The rest went back into the business, to help replace worn-out equipment and meet future needs.

ESSO

IMPERIAL OIL LIMITED

Defense Contracts

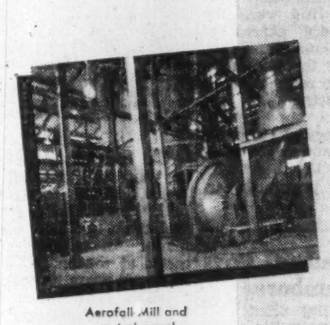
Here are contracts worth $10,000 or more awarded to Canadian firms during the last half of April by the Department of Defense Production and Defense Construction (1951) Ltd.

The list totals $9,623,802, including $487,167 construction. Included in the list is a contract for repair and overhaul of aircraft engines during April 1, 1955 to March 31, 1956, placed with De Havilland Aircraft of Canada, valued at some $1.5 millions. Excluded are classified orders and amendments to earlier contracts.

Contractor	Commodity	Value
Abercorn Aero Ltd., Montreal	aircraft spares during period April 1/55 to March 31/56	12,355
Aircraft Industries, St. Johns, Que.	relocation power socket	12,355
Alberta Govt. Telephones, Edmonton	cable plant	125,058
Alberta Launderers-Dry Cleaners, Edmonton	services	15,000
Alberta Pacific Grain (1943), Calgary	coal	11,000
Alpha Milk Co., Calgary	dairy products	17,322
Anglo-Diesel Engines, Ottawa	generator sets	11,412
Annapolis Dairy, Annapolis Royal, N.S.	dairy products	10,220
Atlantic Traders Ltd., Halifax	food	12,399
Aviation Electric, Montreal	aircraft parts	21,136
Aviquipo of Canada, Montreal	aircraft hardware	25,541
Bancroft Industries, Montreal	aircraft hardware	16,339
Bardahl Lubricants, Montreal	petroleum products	20,790
W. E. Booth Co. Ltd., Toronto	medical supplies	41,861
Brighton Laundry Limited, Toronto	services	10,000
Bristol Aero Engines, Montreal	investigations	50,000
British American Oil, Calgary	gasoline	12,122
British American Oil, Toronto	petroleum products	97,985
British American Oil, Toronto	petroleum products	85,940
British American Oil, Toronto	petroleum products	23,550
British American Oil, Toronto	petroleum products	48,182
British American Oil, Toronto	petroleum products	12,606
British American Oil, Toronto	petroleum products	52,885
British American Oil, Toronto	diesel fuel	48,878
British American Oil, Toronto	diesel fuel	21,004
British American Oil, Toronto	fuel oil	17,223
British American Oil, Toronto	fuel oil	107,365
B. C. Yukon Air Services, Watson Lake, Y.T.	charter	23,512
British General Electric, Montreal	ships' electrical equip.	20,563
British Yukon Navigation, Whitehorse, Y.T.	petroleum products	127,646
Bruce Coal Co., Ottawa	fuel oil	17,190
Burgess Battery, Niagara Falls, Ont.	batteries	54,982
Burns & Co., Ottawa	meat	14,244
Canada Catering Co., Toronto	services	25,120
Canada Packers Ltd., Halifax	dairy products	27,012
Canada Packers Ltd., Halifax	meat	12,243
Canadian Arsenals, Ottawa	ammunition components	29,504
Canadian Converters', Montreal	clothing	17,820
Canadian Dressed Meats, Toronto	meat	11,187
Canadian Electrical Supply, Montreal	electronic stores	14,083
Canadian Helicopters (1954) Toronto	charter	24,840
Canadian Liquid Air, Vancouver	gases	18,235
Canadian Liquid Air, Winnipeg	gases	20,588
Canadian Liquid Air, Winnipeg	gases	12,073
Canadian Liquid Air, Winnipeg	gases	20,052
Canadian Liquid Air, Toronto	oxygen gas	18,780
Canadian National Telegraphs, Ottawa	rental	25,470
Canadian National Telegraphs, Ottawa	rental	56,060
Canadian Oil Cos., Toronto	gasoline	19,411
Canadian Pacific Railway, Ottawa	maintenance	13,000
Canadian Salt Co., Winnipeg	salt	15,900
Champion Spark Plug Co., Windsor	spark plugs	70,000
Colonial Coach Lines, Ottawa	transportation	47,400
Coppley, Noyes & Randall, Hamilton	clothing	25,420
Cossor (Canada) Ltd., Halifax	electronic components	12,576
Crane Ltd., Ottawa	pipe fittings	10,553
Danville Furniture Sales, Danville, Que.	assembled floors	11,770
De Havilland, Toronto	repair and overhaul of aircraft engines during period April 1/55 to March 31/56	1,500,000
De Havilland, Toronto	airframe spares	125,000
Dominion Sound, Ottawa	ships' broadcasting equipment	344,024
Dominion Steel & Coal, Moncton	coal	120,474
Doon Twines, Kitchener, Ont.	cordage	15,759
Empire Coal & Lumber, Sudbury, Ont.	diesel fuel	75,604
Excelsior Refineries Ltd., Edmonton	fuel oil	82,700
Excelsior Refineries Ltd., Edmonton	petroleum products	256,626
First Co-Operative Packers, Barrie, Ont.	meat	13,008
General Fireguard Corp., Windsor	fire fighting equip.	63,890
General Fireguard Corp., Windsor	fire fighting equip.	101,085
General Motors, Oshawa, Ont.	motor vehicles	50,430
General Motors, Oshawa	motor vehicles	10,385
General Supply Co., Ottawa	generator sets	29,724
Gray Coach Lines, Toronto	transportation	15,200
Gray Coach Lines, Toronto	transportation	13,000
Halifax Shipyards, Halifax	docking	24,477
J. & E. Hall, Montreal	icemaking plant	29,360
J. & E. Hall, Montreal	icemaking plant	29,360
Bert Hopkie, Wheatland, Man.	refuse disposal	11,081
Imperial Oil, Edmonton	petroleum products	117,336
Imperial Oil, Halifax	gasoline	10,100
Imperial Oil, Ottawa	petroleum products	75,580
Imperial Oil, Ottawa	petroleum products	64,729
Imperial Oil, Ottawa	petroleum products	189,504
Imperial Oil, Ottawa	petroleum products	464,625
Imperial Oil, Ottawa	petroleum products	38,130
Imperial Oil, Ottawa	fuel oil	29,328
Imperial Oil, Ottawa	fuel oil	36,199
Imperial Oil, Ottawa	fuel oil	13,040
Imperial Oil, Ottawa	fuel oil	16,164
Imperial Oil, Ottawa	fuel oil	160,963
Imperial Oil, Ottawa	fuel oil	59,477
Imperial Oil, Ottawa	fuel oil	48,000
Imperial Oil, Ottawa	diesel fuel	343,896
Imperial Oil, Ottawa	diesel fuel	59,600
Imperial Oil, Winnipeg	petroleum products	15,934
Imperial Oil, Winnipeg	petroleum products	17,831
Imperial Oil, Winnipeg	petroleum products during period	13,932
Imperial Oil, Winnipeg	petroleum products during period	15,826
International Harvester, Hamilton	station wagons	117,428
Irving Oil Inc., Quebec	fuel oil	58,202
Jamieson's Haulage, Glencairn, Ont.	refuse disposal	35,760
La France, Toronto	fire fighting equip.	48,046
La Laiterie Granger, St. Johns, Que.	dairy products	44,652
Raoul Lassonde, St. Hyacinthe, Que.	flatware	10,010
Raoul Lassonde, St. Hyacinthe, Que.	flatware	24,220
Latex Foam Products, Toronto	clothing	32,370
Laurentian Metal Products, Hull	ships' electrical equip.	10,271
Legrade Inc., Que.	meat	17,080
Ernst Leitz Canada, Midland, Ont.	gun control equip.	55,418
Leyland Motors, Longueuil, Que.	rack kits	25,418
MacDonald Bros. Aircraft, Ottawa	landing gear equip.	21,808
McColl-Frontenac, Montreal	fuel oil	16,500
McColl-Frontenac, Montreal	fuel oil	44,550
McColl-Frontenac, Montreal	fuel oil	23,100
McColl-Frontenac, Montreal	gasoline	27,825
McColl-Frontenac, Montreal	petroleum products	64,677
Middlesex Creameries, London, Ont.	dairy products	10,042
Minnesota Mining, London, Ont.	cleats for safety walk deck	21,926
Montreal Locomotive, Montreal	reconditioning	12,000
John Murdock & Son, Toronto	floors	10,994
Nelsons Launderers & Dry Cleaners, Vancouver	services	10,000
Northern Electric, Ottawa	communication equipment	24,539
Okanagan Helicopters Ltd., Vancouver	charter	34,778
Palm Dairies, Victoria	dairy products	51,428
Patlon Aircraft, Toronto	aircraft spares	32,799
Peacock Brothers, Montreal	spares for ships' machinery	11,819
Peacock Brothers, Montreal	spares for ships' machinery	29,222
Peacock Brothers, Montreal	spares for ships' machinery	81,143
Peacock Brothers, Montreal	spares for ships' machinery	50,313
Peacock Brothers, Montreal	spares for ships' machinery	83,985
Petawawa Deluxe Cleaners, Petawawa, Ont.	services	10,000
Pfizer Corp., Montreal	medical supplies	50,995
Plessy Co. of Canada, Montreal	aircraft spares	11,543
R.C.A. Victor Co., Ottawa	transmitters	187,648
Redi-Mix Limited, Moose Jaw	handling, hauling coal	12,180
James Robertson Co., Saint John, N.B.	iron pipe	12,425
J. H. Ryder Machinery, Montreal	warehouse tractors	12,262
St. Lawrence Propane, Cornwall, Ont.	propane gas	37,600
St. Lawrence Starch, Halifax	food	10,528
Scott Clothing Co., Longueuil, Que.	clothing	10,238
Scott Clothing Co., Longueuil, Que.	clothing	12,500
Scott Clothing Co., Longueuil, Que.	clothing	12,220
Shell Oil, Toronto	gasoline	23,952
Shell Oil, Toronto	gasoline	10,234
Shell Oil, Toronto	petroleum products	20,648
Sherwin-Williams, Montreal	enamel	18,966
Sintzel Cleaners, London, Ont.	clothing repair	15,000
Sperry Gyroscope, Montreal	aircraft instruments	28,452
Standard Oil, Vancouver	petroleum products	37,219
Standard Oil, Vancouver	petroleum product	32,647
Standard Oil, Vancouver	diesel fuel	186,200
Standard Wiping Products, Montreal	wiping rags	16,981
Swift Canadian, Moncton	meat	13,074
Swift Canadian, Toronto	meat	22,125
Tanny Merchandising, Montreal	electrical equipment	18,891
Terry Machinery, St. Laurent, Que.	repair and modification of auxiliary generating sets and aircraft energizers during period April 1/55 to March 31/56	400,000
Textile Industries, Guelph, Ont.	web equipment	104,682
United Co-Operatives, Toronto	dairy products	10,260
Universal Button, Walkerville, Ont.	insignia	42,715
Western Oil, Moose Jaw	fuel oil	23,618
Western Propeller, Edmonton	aircraft parts	19,150
White Motor Co., Toronto	automotive spares	27,953
Winnipeg Supply & Fuel, Winnipeg	coal	65,936
Yarmouth Ice Cream & Dairy, Yarmouth, N.S.	dairy products	10,220
Yukon Laundry & Dry Cleaners, Whitehorse, Y.T.	services	20,750

Awarded by Defense Construction (1951) Ltd.

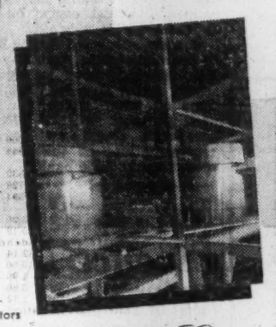
Contractor	Commodity	Value
Bird Construction, Edmonton	building	189,710
Elgin Construction, St. Thomas, Ont.	bay extension	49,670
P. W. Graham & Sons, Edmonton	guard and gate house	27,500
Stevens-Adamson, Montreal	coal handling system	134,547
Stirling Electric, St. John, N.B.	patrol system	44,000
Trudeau & Fils Ltee., St. Anne de Bellevue, Que.	wells	31,390
J. Usher & Sons, Brantford, Ont.	renovating, winterizing, grading	10,350



Aerofall Mill and control panel

Primary and secondary crushers for the reduction of asbestos ore are standard in any asbestos mill. An unusual feature of the Asbestos Corporation's new mill at the Normandie Mine is the battery of six Aerofall Mills which replace the four separate and subsequent processes of the conventional milling plant. Canadian Comstock installed these new-type mills, together with the necessary jaw and cone crushers, conveyors, all electrical installations, machine shop equipment, dust collector system and controls. Electrical and mechanical installations for mine operation represent perhaps the most impressive feature of Comstock's experience with Canada's growing industries.

Cyclone collectors and rotary valves



Dust collectors, cyclone collectors and baffle separators

Cyclone collectors, duct work and vertical dryers

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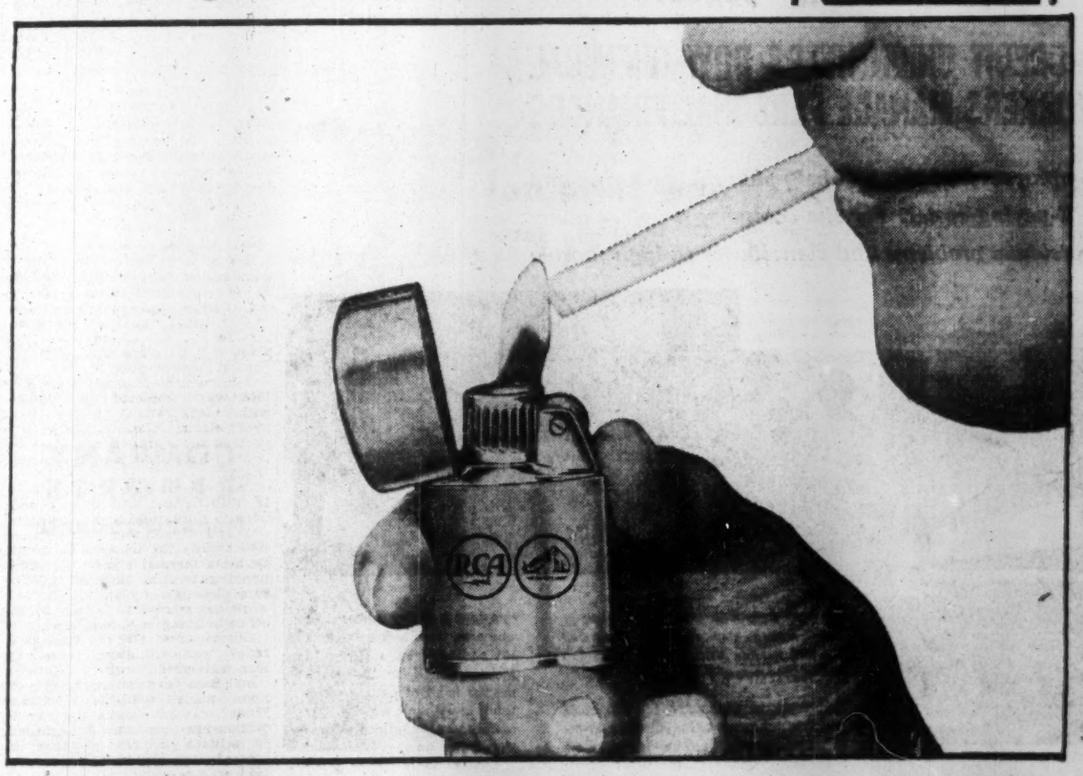

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Put your company's name on a handsome Ronson lighter, and you've a business gift that will please . . . and impress. Countless times a day your gift will be used—and every time your name, slogan or trademark will be displayed in the light of Ronson quality and prestige. It would be a pleasure to show you the complete Ronson line . . . explain how our lighters can be personalized . . . our prices are attractive—starting at less than $5.00. Tell us your needs . . . we'll show you how Ronson can meet them.

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RONSON 'TRIUMPH' with "easy-fill" swivel base

RONSON 'TROPHY' handsome for table or desk

RONSON 'DATELITE' perpetual calendar with *desk lighter *available separately

RONSON ELECTRIC SHAVER revolutionary in design and performance. As displayed, or with space-saving Ronson Trip Kit holding travelling extras—comb, nail file, toothbrush, toothpaste.

world's greatest lighter RONSON *world's greatest business gift*

R-123

ANNOUNCEMENT

A. J. PHILIP

who has been appointed Vice-President and General Manager of the Canada Paper Company. Prior to his present appointment, Mr. Philip was Assistant General Manager, resident at Windsor Mills, Que., where he will continue to make his headquarters.

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THE "ALL CANADIAN" CONVEYOR

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Retail

CANADIAN TIRE CORP., Toronto, net profit rose 4.1% to $999,595 in 1954 from $959,755 in 1953.

Sales and earnings were at new records with sales up 17.1%, J. W. Billes, president, states. Volume so far this year compares favorably with the same 1954 period.

The company spent $495,430 in 1954 on additional buildings and improvements, $50,900 on additional land and $53,536 for machinery and equipment.

Annual meeting will be held June 22, 1955.

INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Net earnings	$2,225,242	$1,928,364
Less: Deprec.	107,987	77,155
Income taxes	1,118,666	891,454
Net profit	**999,585**	**959,755**
Less: Divds.	163,202	167,188
Surplus for year	**836,383**	**792,567**
Earnings per Share and Dividend Record:		
Preferred	$12.20	$10.10
Paid	1.00	1.00
Common	9.06	8.63
Paid	0.60 + 0.10	0.60 + 0.10

•Based on number of shares o/s at year end.

CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$1,680,912	$1,330,510
Invests†	1,277,051	1,263,545
Accts. rec.	977,883	795,661
Invent.	•1,897,104	1,670,295
Total curr. assets	**6,032,950**	**5,060,011**
Mtge. rec.	47,900	56,740
Misc. assets	1,000	10,000
Pref. stk. red. s.f.	...	120,077
Fixed assets‡	1,991,209	1,491,822
Total assets	**8,073,059**	**6,738,650**
Accts. pay. & acc. chgs.	2,306,084	1,822,823
Inc. taxes	676,351	452,116
Total curr. liabs.	**2,982,435**	**2,274,939**
Mtge. pay.	...	4,589
Capital stock	1,743,400	2,006,340
Capital surplus	4,039	3,329
Earned surplus	3,343,185	2,449,453
†Mkt. value	1,774,439	1,475,784
‡After depr. of	487,039	337,046
•After reserve of $225,000.		
Working capital	**3,050,515**	**2,785,072**

Food

SILVERWOOD DAIRIES LTD., consolidated net profit rose 7.1% to $1,151,949 in the year ended March 31, 1955 from $1,075,128 in the previous year.

A subsidiary—Lindsay Coal Co.—which sold coal and builders' supplies was sold as of April 1, 1954. This sale accounted for $367,493 of a decline of $651,915 in total sales.

Fluid milk sales were 61% of total business and were up $483,598. Unit retail sales were up 4.8% with 17 of the 19 branches showing increases, says the report signed by A. E. Silverwood, chairman, and E. G. Silverwood, president.

Wholesale milk sales were down 2%, largely the result of a drop in Winnipeg business. Ice cream sales were 20% of total volume and were down $268,638—largely because of less favorable weather conditions, particularly in Western Canada.

Ontario unit ice cream sales were 2% below the previous year's record and western business was down 6.7%.

Butter sales, accounting for 11% of total business, were up slightly. Produce, milk products and cold storage departments accounted for the remaining 8% of sales with business down $517,942.

"We are continuing to curtail the operations of these less profitable departments in keeping with the company's policy of the last several years," the report adds.

Net profit, it notes, represented 3 3/10c per dollar of sales, up from 3 1/10c in the previous year.

Gross book value of fixed assets at $14,624,665 is the highest in the company's history and up $648,698.

Funded debt was reduced by $397,500. The report notes that funded debt is down $814,500 in the past two years, due to conversion, and capital has increased by $392,760 representing 28,450 A shares issued on conversion and 10,826 A shares sold to employees.

CONSOL. INCOME ACCOUNT

Years Ended Mar. 31:	1955	1954
	$	$
Sales	34,516,244	35,168,159
Net earnings	**3,214,871**	**3,071,353**
Less: Res. for depr.	734,426	675,488
Int. on bds., debts, & mtge.	243,496	260,161
Amort. of prem.	...	1,576
Inc. tax	1,085,000	1,059,000
Net profit	**1,151,949**	**1,075,128**
Less: Appropriations:		
Silver. Cl. A	315,830	304,898
Silver. Cl. B	264,728	264,727
Surplus for year	**571,391**	**505,503**
Times Interest Earned:		
Before depr.	13.20	11.81
After depr.	10.19	9.21
Earnings per Share and Dividend Record:		
Cl. A: Earned†	$2.14	$2.09
Paid	0.60	0.60
Cl. B: Earned†	1.90	1.75
Paid	0.60	0.60
Cl. A & B†	1.13	1.13

†Before (after) participation.

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1955	1954
Cash & com. bds.	$3,364,673	$3,262,512
Accts. r.	780,492	824,832
Inventories	1,345,769	1,464,784
Total curr. assets	**5,491,134**	**5,552,128**
Prep. exp.&	246,569	275,060
Misc. assets•	618,736	418,216
Fixed assets	14,624,665	13,975,967
Total assets	**20,981,104**	**20,224,371**
Accts. & tax. pay.	2,608,226	2,598,362
Bonds., etc., mat.	212,500	148,000
Divds. int., etc.	209,571	188,665
Total curr. liab.	**3,030,297**	**2,935,027**
Funded debt	4,993,000	5,435,000
Deprec. res.	7,129,792	6,608,103
Capital stock	3,207,215	2,969,815
Surplus	2,620,800	2,056,426
†Included in curr. assets in co's reports.		
Working capital	**2,460,837**	**2,617,101**

CANADA & DOMINION SUGAR CO. consolidated net profit dipped 11.1% at $1,976,062 in the year ended March 31, 1955, from $2,221,555 in the previous year.

Lower earnings can be attributed to loss sustained from 1954 sugar beet operations, W. J. McGregor, president, states. Only 23,568 acres were harvested of 28,344 contracted for because of a five-month summer drought followed by flood rains at harvest time. Average sugar content dropped to 14.7% from the previous 10-year average of 17.2% and out of 256,759 tons processed at Chatham and Wallaceburg, only 57,290,775 pounds of refined sugar were produced.

So far this year barely 20,300 acres have been contracted. The Montreal refinery resumed operations April 18 and modernization of the charhouse continues on schedule. A modern office building has been erected in Montreal and the new refined sugar warehouse in Toronto will be ready for operation by mid-August. Storage capacity of the warehouse will be 30 million pounds.

Plans are being developed for a new Toronto refinery adjacent to the warehouse.

CONSOLIDATED INCOME ACCOUNT

Years Ended Mar. 31:	1955	1954
Net earnings*	$4,578,369	$5,327,707
Less: Deprec.	872,307	966,132
Income tax	1,730,000	2,140,000
Net profit	**1,976,062**	**2,221,535**
Less: Dividends	1,500,000	1,500,000
Surplus for year	**476,062**	**721,535**
*Incl. other inc. of	172,197	148,640
Earnings per Share and Dividend Record:		
Common: Earned	$1.32	$1.46
Paid	1.00	1.00

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1955	1954
Cash	$3,910,792	$3,626,059
Invest. in bonds•	5,936,450	5,943,000
Accts. rec. less res.	1,555,279	1,225,557
Invent. less res.	3,843,241	4,196,141
Total curr. assets	**17,265,762**	**16,992,737**
Misc. assets	335,262	428,109
Fixed assets†	8,259,053	8,601,041
Total assets	**25,860,097**	**26,021,887**
Accts. pay.	918,920	951,229
Taxes pay.	966,427	1,571,970
Total curr. liab.	**1,885,347**	**2,523,199**
Reserves	3,275,000	3,075,000
Capital stock	14,000,000	14,000,000
Distrib. surplus	1,000,000	1,000,000
Earned surplus	5,699,750	5,423,688
†After depr. of	10,893,746	10,146,663
•Market value	6,100,000	6,000,000
Working capital	**15,380,415**	**14,469,538**

Public Utilities

MEXICAN LIGHT & POWER CO. consolidated net profit of $2,329,706 in 1954 was down 38.3% from $3,777,339 in 1954.

Kilowatt-hour generation and sales increased 10.3% and 9.8% respectively. However, gross and net operating revenue expressed in Canadian dollars were sharply reduced as a result of devaluation of the peso in April. The drop occurred despite a 21.2% general rate increase effective with October billings.

Decreases in revenues and net profit were largely attributable to the second and third quarters. Expenses, although down in terms of Canadian dollars, were up in terms of pesos as a result of two wage increases and higher costs of purchased power and fuel and other materials and supplies.

The Mexican Government has granted tax advantages for 1954 and 1955 and the company has been assured that it will be granted an additional rate increase in 1955 to further improve earning capacity and compensate for the temporary tax advantages when they expire.

Negotiations have been successfully concluded settling Mexican income tax claims and counter claims for 1953 and previous years, amounts due from the tramways system for past years and payment of current power bills, and amounts claimed by the Federal Electricity Commission for past deliveries of power.

Settlement permitted transfer to earned surplus from specific and contingency reserves of amounts which with certain other adjustments totaled $2,719,816. Including transfer of net profit, credit to earned surplus was $5,049,522, up from $3,908,882.

Unaudited earnings figures for the first quarter of 1955 will be available shortly, the company notes. It appears that earnings per common share, after allowing for preferred dividends but not taking into account common shares issued as a stock dividend in May, were about 40 cents, compared with 83 cents for all of 1954.

Resulting demand from the continued growth can only be met by doubling existing electric facilities in the next nine or 10 years, says the report signed by William H. Draper, Jr., chairman, and G. Marryssael, president. Cost of necessary new plant will be more than $200 millions at present price levels.

Construction program started in 1948 was completed last October with inauguration of the Patla hydro-electric plant, two large substations and a transmission line between Necaxa and the Federal District.

The 1955 program will cost about $9 millions and will include additions to substations and to transmission and distribution lines. Expansion studies are under way for the Lecheria thermal plant by an additional generating unit of 60,000 to 80,000 kw capacity and preliminary work has started for a new central office building in Mexico City.

During 1954, $786,103 U. S. currency was withdrawn under the loan agreement with the International Bank, exhausting the $26 millions made available. Nacional Financiera, S.A., increased its 175-million-peso credit by an additional 60 millions to cover estimated increased cash requirements through 1956 as a result mainly of peso devaluation. Mexlight withdrew 115,563,913 pesos in 1954, bringing total withdrawals to 145,570,754. No withdrawals have been made so far this year.

Annual meeting will be held in Toronto June 29, 1955.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
	$	$
Gross oper. earn.	27,186,849	31,178,825
Total net earn.	7,992,011	9,055,667
Less: Deprec.	3,178,000	2,869,000
Amort. rts., etc.	186,223	186,223
Financial chgs.	2,296,082	2,223,105
Net profit	**2,329,706**	**3,777,339**
Less: Pref. divds.	1,137,659	426,622
Common divds.	444,209	...
Surplus	**747,838**	**3,350,717**
Times Financial Charges Earned:		
Before deprec. and amort.	3.48	4.07
After deprec. and amort.	2.01	2.70
Earnings per Share and Dividend Record:		
Preferred	$2.75	$4.43
Paid	1.33⅓	0.80
Common	0.83	1.65
Paid	0.25	...

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$3,822,294	$1,843,476
Bonds purch. for s.f.	...	92,562
Accts., etc., rec.	5,951,328	6,356,845
Inventories	2,406,447	2,746,750
Tot. curr. assets	**12,180,069**	**11,039,633**
Reorg. exp.	1,164,870	1,164,870
Misc. assets	1,147,802	1,614,019
Fixed assets	187,303,605	178,123,189
Total assets	**201,796,346**	**191,941,711**
Loans	2,895,000	1,132,404
Accts. pay.	2,881,040	6,878,251
Int., etc., pay.	1,294,984	1,257,830
S.f. pay. due	1,357,149	1,369,265
Tot. curr. liab.	**8,428,173**	**10,637,750**
Def. liab.	7,686,612	8,491,534
Funded debt	60,902,280	55,167,283
Depr., etc., res.	56,553,214	52,898,731
Reinvest. res.	1,061,178	739,460
Capital stock	40,635,600	40,635,600
General res.	•	15,420,876
Earned surplus	26,517,289	7,950,483
Working capital	**3,751,896**	**401,883**

•Transferred to earned surplus.

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Smith, Carter, Katelnikoff, Architects, Winnipeg

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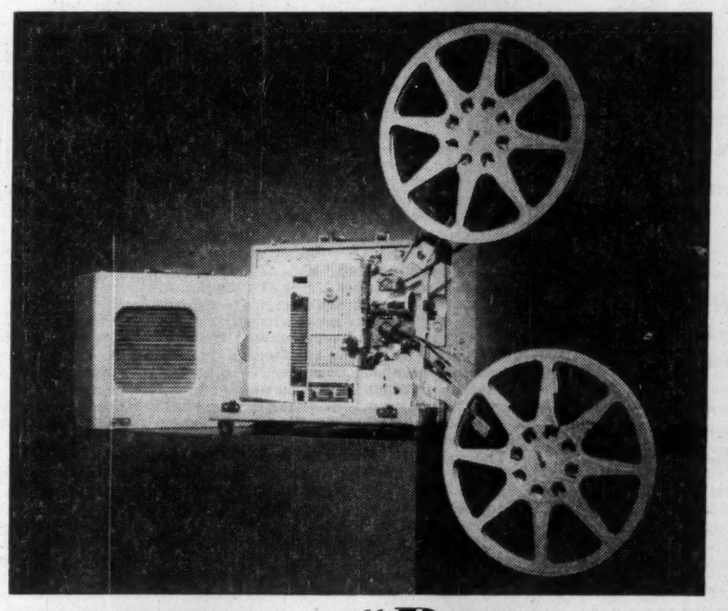

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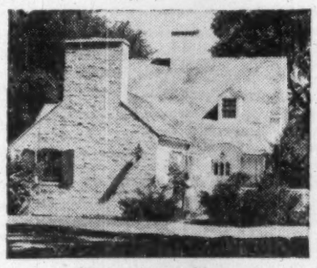

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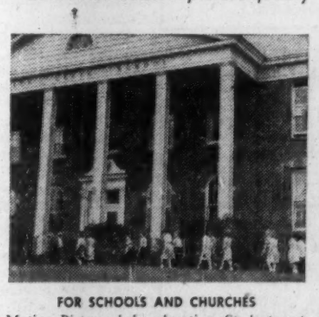

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Making Money In the Market

A series on investing — what it is, how to invest, its risks and opportunities, how it can work for you.

You Can Invest In 'IOUs'

Bonds are regarded as the safest type of investment. They represent a promise to pay a stated amount of money on a certain date and to pay a fixed rate of interest in the interval. This eleventh article in The Financial Post series on investing describes some of the many types of bonds and debentures available and some of the things to look for when investigating a bond investment.

By VINCENT EGAN

When stock prices have enjoyed a long advance, two developments become more and more pronounced:

—Yields on stocks decline (prices are on one end of the investment seesaw, yields on the other). For those investors whose objective is income, it becomes increasingly difficult to find stocks which will produce a satisfactory return on their money.

—Stock prices become more vulnerable, more apt to suffer a setback. Viewed historically, the longterm trend of market prices is upward, but each long rise is eventually followed by a decline. Perhaps it's because optimism produces its own reaction of pessimism; perhaps it's because more profits are there to be taken out of the market when prices are high; perhaps it's simply because buyers become scarcer and sellers more numerous when prices of anything — securities or succotash — are at their peak.

In these circumstances, an investor who expects stock prices to reverse their direction and move lower would probably sell some of his stocks and await a chance to buy them back at lower prices.

That's when the investor in stocks might turn to the bond market. By putting his idle dollars to work in good bonds, he could weather any stock market storm in safety and with an assured income.

In the investment rainbow, bonds represent the utmost in stability and safety. Hence their popularity with many investors at all times, and with many more investors when stock prices are declining.

Since a bond is evidence of a debt — a fixed number of dollars to be repaid at a certain date — its price shows relatively little fluctuation. Stocks, which represent ownership, rise and fall with the prosperity of a company, an industry, a nation.

The bondholder takes priority over the shareholder — preferred or common — if a company is liquidated. He must be paid off completely before shareholders get any repayment of capital at all on their investment in a dissolved company.

Most of the trading in the so-called bond market takes place in either bonds or debentures. A bond is evidence of a debt secured by something tangible, such as a factory. A debenture is evidence of a debt secured by only the general credit of the borrower. In dissolution, the bondholder has a prior claim on certain assets, while the debenture holder ranks equally with other general creditors.

Four Categories

The Canadian bond market has four broad divisions, dealing in bonds issued by the Government of Canada, by provincial governments, by municipalities and by corporations.

Government of Canada bonds and provincial bonds are really debentures, since no property or other assets are pledged as security for them, but the custom of referring to them as bonds has become firmly established.

Canada Savings Bonds and their predecessors, the wartime Victory Bonds, are probably the best known of all Canadian securities. Savings bonds have been issued by the Canadian government every fall since the end of the war, and have been sold intensively by banks, by part-time canvassers and through payroll deductions as well as through regular investment channels. They are the ultimate in investment safety, since they can be cashed any time at any bank in Canada for their full face value plus interest (on last year's issue, interest rate was 3¼%).

They also represent the ultimate in convenience, for they can be bought in denominations of $50, $100, $500, $1,000 and $5,000 (ordinarily, bonds are traded in units of $1,000). Only Canadians may buy these bonds, and no one is permitted to buy more than $5,000 of any one issue.

A wide variety of Canadian government bond issues, other than savings bonds, is available to the investor. Ranking just as high as government bonds are those bonds which the Canadian government guarantees unconditionally, such as those of the government-owned Canadian National Railways, Canadian National Steamships and Harbor Commissions.

Provincial and municipal bonds, as investments, are in a different category. The strength of any bond is based on the ability of the borrower to repay, and that strength may vary widely from one government to another, and from one decade to another. As a rule, an investor can obtain a higher yield on provincial bonds than on Canada bonds, and a still higher yield on municipal debentures.

On the Canadian bond market, the investor has the choice of investing in 10 provincial governments' bonds and more than 4,000 municipalities' debentures. That's why it's particularly important, before investing, to obtain the advice of an investment dealer who has the skill, experience and time necessary to analyze these securities.

But as varied as the market in government bonds is, the market in corporation bonds is much more complex. In some cases, the corporation's ability to repay is almost as unquestioned as the government's, while in others it is problematical. Some corporation bonds are as simple in form as a government bond, while others have such features as warrants and conversion privileges.

Investing For Safety

As a group, corporation bonds are one of the safest forms of investment. But even they contain some element of risk. To appreciate the degree of safety or of risk that you undertake when you buy a bond, it is best to understand the names that the investment community gives to the several kinds of corporate "obligations."

Mortgage bonds. As the term indicates, this is exactly the same as a mortgage on a home — a loan secured, in the case of a corporation, by its physical property. If the company fails to pay interest or to repay the principal when it has promised to do so, the bondholder is entitled to take over the pledged properties.

First mortgage bonds are commonly regarded as the finest security a corporation can issue, because they give the investor an undisputed first claim on its earnings and its assets. Such bonds may be "closed" or "open." If closed, no additional bonds may be issued by the company. If open, the company is free to issue additional bonds under certain conditions (for example, if it acquires a new factory).

Second mortgage bonds rank just below first mortgage bonds in their claims on assets and earnings. Similarly, general mortgage bonds rank below a second mortgage issue. Since the quality of these bonds is a little lower, they typically offer a higher yield than first mortgage bonds.

Collateral trust bond. These are bonds which are secured, not by the pledge of land and factories, but by stocks or bonds which the corporation deposits with a trust company acting as trustee. The securities are usually worth at least 25% more than the value of the bond issue; they are the bondholder's guarantee that the borrowing corporation will pay its interest and redeem its bonds as agreed.

Bondholders can seize the pledged property in case of bond default.

Some Canadian companies have even issued bonds which are backed by the usual mortgage and also, for added safety, by securities deposited with a trustee. These are known as mortgage and collateral trust bonds.

Debentures. These are corporate obligations that have one difference from bonds — they are not secured by a pledge of property, plant or securities but rather by the general credit of the borrower. They are frequently issued by companies owning little property but having good earning potential; sometimes by companies which have issued closed mortgage bonds and are therefore unable to issue more obligations secured by physical property.

Although the "general credit of the borrower" may seem to be a rather indefinite and flimsy form of security for a loan, the borrower is almost always shielded by various protective clauses in the debenture. Today, debentures are the most common type of senior security issued by large and prosperous corporations.

Corporate "notes" are really debentures which mature in a relatively short time.

Equipment trust certificates. Issued only by transportation concerns, mainly railways, the security for these certificates is the transportation equipment. For instance, they are issued to finance the purchase of new cars and locomotives. A trustee holds the title to the rolling stock, and leases it to the railway at a rental high enough to pay the interest on the rolling stock and gradually to pay off the principal. When the certificates mature and are entirely paid off, the railway becomes the owner of the rolling stock. An example of this type of obligation is Canadian Pacific Railway's 3¼% equipment trust certificates dated Jan. 2, 1954, maturing in annual installments 1955 to 1969.

Income bonds. These are the lowest of bonds. They are similar to noncumulative preferred stock, since the corporation promises to pay interest only as it is earned, and only at the discretion of its directors, and to repay the principal at some future time. Obviously an unsatisfactory type of investment, income bonds are usually the result of a reorganization of a company in financial difficulties, and are accepted by holders of defaulted bonds as the best that can be expected under the circumstances.

Paying Their Debts

A company's obligations, then, may be secured by its property, by its securities or by its credit. Here are some of the other characteristics of bonds, most of them related to the method in which the company will eventually discharge its obligation to the borrower.

Convertibility. Some corporation bonds, like some preferred stocks, give the holder the privilege of converting them into common stock of the same company. Through this link with the future earning power of the company, convertible bonds acquire a speculative appeal. As securities, they offer the safety of a fixed income rate and a definite promise of future repayment, combined with the possibility of capital appreciation if the market price of the stock rises sufficiently.

For instance, if a $1,000 bond were convertible into 100 common shares of the company, the bondholder might decide to convert it into stock when the price of the shares rose above $10 — providing his income would remain the same. If the stock were selling below $10 a share, he would not convert his bond. The market price of convertibles, therefore, is directly linked with the price of the common stock.

Warrants. These are certificates entitling the bondholder to buy common stock at a certain price for a certain period. Like the convertible feature, the value of a warrant only becomes apparent when the corporation's common stock on the open market rises above the stated price. Then, the warrants can be used to buy stock at an advantageous price, or can be sold at a clear cash profit.

Redemption. In many cases, bonds may be "called" or redeemed by the corporation before repayment actually falls due. When this happens, the bondholder is deprived of an investment which he had expected to bring him a steady income for a number of years. Therefore, the corporation pays the bondholder a premium by setting the redemption price somewhat higher than the par value of the bond. It may agree to pay 103% of the face value if it redeems the bond 15 years before maturity; the premium becomes lower as the maturity date draws nearer.

Sinking fund. A corporation not only has to pay interest to its bondholders each year; it also has to give some thought to setting aside the money it will eventually need to pay off the principal amount of the bond. To meet this need, it establishes a sinking fund which is controlled by a trustee. Each year on a certain date, it must pay the trust company either a fixed number of dollars or their equivalent in bonds of the issue concerned. The trustee holds these funds in trust until the maturity date arrives.

Serial. Instead of maturing all at once, an issue of serial bonds will mature in part every year (or at some other stated interval). From the corporation's point of view serial bonds are much the same as sinking fund bonds, since it must pay off a portion of the entire debt each year. But the investor, when he buys a serial bond, knows exactly how long he may keep his money invested; he can invest in a serial bond which will return his money to him in any given year.

Maturity. If a bond "matures" — that is, if the borrower promises to repay the principal — within the next one to five years, it is called short-term bond. If the period is from five to 15 years, it is a medium term bond. If more than 15 years, it is a long-term bond.

In some cases, the maturity date may be a century in the future. Perpetual bonds, an unusual type of security, have no maturity; the CPR has perpetual bonds outstanding, and the Government of Canada issued a 3% perpetual bond in 1936 (although these are redeemable at the government's option after 1966).

Two-pay. Canadian bonds are usually payable in Canadian funds only, but "two-pay" bonds give the bondholder the choice of accepting repayment of principal in either Canadian or some foreign (usually U. S.) currency. There are even three-pay bonds, which contain the added option of taking payment in British funds.

Registered vs. bearer. Bonds may be registered to their owner, in which case only he can sell them or receive the interest on them. Or they may be in the more convenient — but more risky — bearer form, negotiable by the bearer. Since the holder of a bearer bond is presumed to be its owner, such bonds must be safeguarded against theft or other loss.

Analyze Them First

It isn't easy for the typical small investor, particularly a beginner, to choose the right bond for his portfolio when the choice is so broad. However, the investor can apply a few simple tests to help in establishing the quality of the bond as an investment.

Past earnings are of prime importance. Net earnings should have been considerably higher than the total bond interest charges over a lengthy period. Some investment experts suggest checking this earnings-to-interest ratio for seven years past, and establishing an average ratio for those years; others would take as their criterion the year in which the ratio was the poorest.

In the case of industrial bonds, earnings after providing for depreciation should be at least three times greater than total bond interest charges; if the bond is issued by a public utility, the ratio should be at least two-to-one. Public utilities obtain more of their capital through borrowing than through sale of stock; since the regularity of their earnings is more certainly assured, the ratio need not be as high as in the case of industrial corporation.

The borrower, whether a government or a corporation, should be above a certain minimum size. If a municipality's population is small, or a company's operations limited in scope, their ability to repay a bond may be questionable.

Another yardstick is the ratio of a corporation's equity to its debt. Multiply the current market price of its shares by the number of shares outstanding, and compare this total with the face value of its bonds. This will indicate how thick a "cushion" of stock there is to bear the brunt of adverse developments before the "senior securities" (the bonds) are affected.

The value of the company's property should be considered in relation to the bonds, since the property is the security for the company's debt in many cases. This is not as important an indicator as earnings because, although bondholders can seize the pledged property in case of bond default, some alternative arrangement is usually made that will strengthen the company and keep it in business. Only a company that is a going concern has much value; idle plants and machines are sometimes hard to sell.

The yield on a bond is most closely related to two things — its safety, and the prevailing level of interest rates. The income on your investment in a bond, as in a preferred or common stock, is likely to be fairly low if its safety rating is high, and vice versa.

The relationship to prevailing interest rates is a little more complex. A bond, of course, has a fixed "coupon" or interest rate. If you pay $1,000 for, say, a 4¼% bond, your yield is 4¼%. But if you had bought a Consumers' Gas 4¼% 1974 bond recently, you would have had to pay $1,040. If you held that bond till it matures in 1974, you would receive only $1,000. The net result, taking into account the $40 loss and the interest you could have earned on the $40, is that your yearly interest payments of $42.50 would represent a yield of 3.95%.

Another aspect of the same situation is that the market price of bonds is also directly affected by interest rates. If the general trend of interest is downward, the market value of the bonds you hold is likely to rise; when interest rates start to climb, bond prices fall.

Another point to remember: Bond interest is fully taxable as income; you can't take a 20% tax credit on it, as you can on dividends paid by Canadian corporations.

If "safety first" is your investment motto, you won't find a more suitable investment medium than bonds. But don't buy blindly; be sure that your bond has the margin of safety you require. You're not likely to make a killing on your bonds, but safety of your capital and a steady income can give you a highly comfortable feeling of confidence.

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GROWTH STOCKS
"Selected Growth Stocks" in The Financial Post is widely acclaimed. It features 26 stocks selected for unusual growth possibilities. Read this exclusive Post feature regularly. Yearly by mail $6, 2 years $11.

Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January, 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.

Falconbridge

At its recent $27½ market price, Falconbridge Nickel Mines common just a 9% rise short of OV level, and 129% above UV level. Company raised semi-annual dividend payment to 40c plus 10c extra (25c before) paid June 15, indicating 2.91% yield on 80c annual basis. Price equals 22.2 times 1954 earnings of $1.24 a share. Price range so far in '55, $29¼ - $21⅝.

In commenting on 50c paid this month, President Thayer Lindsley said shareholders could "look forward to a continuation of further substantial payments."

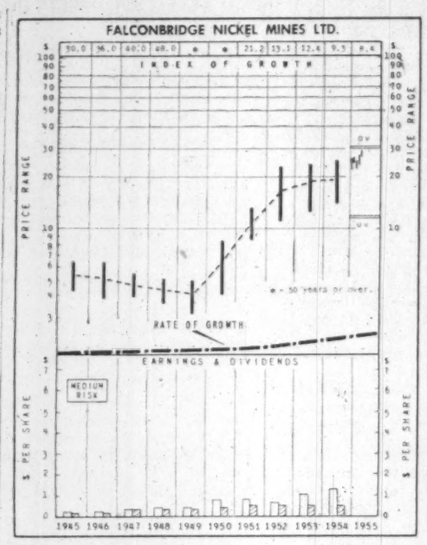
Net profit rise to record $4,660,945 occurred despite record write-offs of $4,936,000 for development, preproduction and depreciation. Capital expenditures totaled record $11.9 millions — twice those of '53 and nearly equal to total outlays in the first 20 years of company's existence.

While capital expenditures in '55 to be high also, much of the surface construction completed. Refinery facilities should be able to handle any proposed increase in matte output during next 2-3 years.

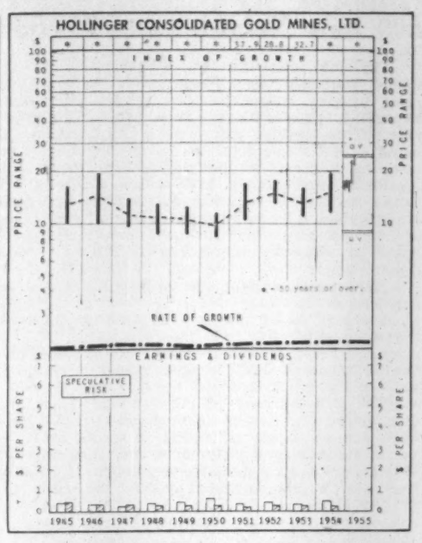
Fourth and more modern blast furnace will probably be added. This would represent interim expansion of intermediate facilities.

Ore hoisted in '54 up 21%, nickel in matte production by smelter 23%, refined nickel 16%, deliveries 18%. Increased production costs kept operating profit rise to 14.4%.

Earnings figures increased $1,559,000 by not charging depreciation on assets under construction. Also earnings would have been reduced by $1,630,000 if company had charged on books all write-offs claimed for income tax purposes.



WHY SELECTED: Aside from rearmament demand, growing use of nickel offers favorable long-range possibilities for this aggressive second-largest nickel producer. Completion in 1954 of current expansion program was expected to double prewar output level, further expansion being considered. Recent ore discoveries are considered important. Based on about 52% of potential nickel land in important Sudbury area, and production of about 10% of total Sudbury output, there appears to be considerable scope for setup in Falconbridge production.



WHY SELECTED: Potentialities for this second-largest Canadian gold producer lie in its interest in Labrador and Quebec iron ore reserves, estimated to be in excess of 400 million tons of high-grade ore that are now being developed by Iron Ore Co. of Canada (owned by Hollinger and various U. S. interests) at an estimated cost of over $200 millions. Shipments were expected to begin late in 1954 and to be expanded progressively for several years thereafter.

How To Read the Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale, nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

Background and principles behind the selection by Nestor were discussed in a special article in The Financial Post, Jan. 10, 1953. A limited number of reprints are available on request.

Hollinger

At recent price of $24¾, Hollinger has broken through OV level, now sells 3% above. Is also 175% above UV level. Stock up very sharply from $15½ three months ago. Yields, on 24c annual dividend, now down to 1%.

Move partly reflects chances of further big mineral discoveries being made in Ungava area.

Holannah Mines, owned 50-50 with Hanna Coal & Ore, hoping for major copper discovery 300 miles north of Knob Lake. Has 30 different showings, and will do much drilling and sampling this year. Meantime, Hollinger North Shore and Labrador Mining & Exploration (60% and 51% stock interest, respectively, owned by Hollinger) examining base metal prospects on their ground. And big asbestos deposit may be shaping up, which would be developed jointly by Johns-Manville and Hollinger's associated companies.

Mining under way again at Knob Lake, with shipment target of 6-7 million tons iron ore this year. Could turn out to be higher. Figure includes one million tons from Hollinger N.S. and Labrador M. & E., who it's stated will need all their revenues for at least next two years to finance iron ore development and base metals exploration, and get on self-supporting basis.

Final items in Iron Ore Co. program getting near completion, and capital outlays should be finished this year. Much ballasting to be done this season. Six-teen more diesels and 1,050 ore cars being delivered.

Near Montreal, the Contracoeur terminal almost finished. Will handle this year 1-1.5 million tons of ore, transferring it from big ships to smaller ones going into the lakes.

Hollinger's gold mining outlook termed "clouded" recently, with cost aid down. This despite higher productivity. Ross Mine's new crusher scheduled to start this week.

Hollinger earned 45c per share in 1954. Will be some time yet before full potential of IOCO earnings felt.

More Goods To More People Is Aim Of Robot Retailers

AUTOMATIC SELLING BY G. R. Schreiber; publishers, John Wiley & Sons, New York; 195 pp., $6.50.

Automatic vending machines, strictly a gum, cigarette and candy proposition in the U.S. before World War II, have mushroomed into business grossing $1,573 millions volume from more than three million machines selling everything from soup to nuts.

The story of this new industry's growth from the first automatic machine (a vendor of holy water devised by Hero Cstebus, a Greek inventor, in 219 B.C.) to the modern multiunit installations that supplement or replace industry cafeterias, provides the theme of Mr. Schreiber's book.

Editor of Vend magazine and associated with automatic merchandising since 1946, the author writes with enthusiasm and authority, presents a plea for fuller use of the handy machines, and points to these advantages:

—"Automatic selling is an established, practical means of getting more goods to more people. Robot retailers are already selling goods at a value in excess of $1.5 billions annually. The automatic selling machine is made to order for a push-button era with that era's emphasis on shorter working hours, higher labor costs and increased consumer demand for ease and convenience in shopping."

(Automatic merchandising didn't really start to grow in Canada until 1944. Now it averages over $15 millions a year volume value with some 13,000 machines selling everything from cigarettes to tennis balls.)

He points out that "in industry, machines are replacing carts and cafeterias and taking over the job of feeding millions of workers. In large and small cities the machines are giving the public a new kind of shopping convenience, open around the clock and on holidays."

"The need for feeding millions of workers at all hours of the day or night, and for providing the quick-energy pickup so vital to morale and to efficiency, caused plant management to overcome its objections to automatic selling."

For the future "as the cost of feeding employees mounts, and as more and more food vendors offering a wider variety of hot and cold dishes appear on the market, automatic cafeterias will become commonplace in thousands of industrial plants and office buildings."

Similarly, the industry serves the general public so much that "inserting coins in a machine for a needed product or service is becoming second nature to millions of people . . . Machines are just as important in transportation terminals, theatre lobbies, amusement parks, on board trains and buses, at filling stations, hotels, department stores, supermarkets, drugstores, along the highways and under the ground in subway stations."

". . . The vending machine gets more products to more people by selling products which could not otherwise be sold at a profit using old - fashioned retailing methods. In some of these outlets, automatic selling machines supplement counters and stands, handling the items which present problems of leakage (theft), the nuisance items, the convenience items which the public may need or want to buy during those hours when the counters and stands are closed for the night."

Mr. Schreiber also includes in his account information on cost figures for operating an automatic machine route, servicing problems, legal barriers. He forecasts: "no other selling development since the introduction of the self-serve supermarket holds so much promise for so many diverse interests."

School's Out, 24 Executives Now Trying Out New Skills

Twenty-four senior Canadian executives are back at their desks this week implementing the knowledge and skills they learned at the 10th annual management conference held at a secluded Laurentian outdoor school.

The executives heard experts from Canada and the U.S. and studied or discussed the refinements of organization, administration, sales management and marketing, industrial relations, production management, and work simplification. Also included in the basic executive training program, sponsored and conducted by Leetham Simpson Ltd., were such important business skills as value analysis, speech and report writing development, along with planned study and recreation.

The conference staff included: Milton Gregg, V.C., Minister of Labor; E. R. Complin, employee relations manager, Du Pont of Canada Ltd.; Dean Lowell W. Herron, Clarkson College of Technology; Claude Jodoin, Trades and Labor Congress president; Gray L. Carpenter, speech development and human relations consultant; Professor H. D. Woods, industrial relations director, McGill University; Dr. T. G. Shane, consulting psychologist; A. Herrgen, administrative practices manager, George H. Elliott & Co.; and members of the Leetham Simpson firm.

Executives attending were:

E. A. Baines, Baines & David, Toronto; W. H. Bell, District Manager, Royal Typewriter Co., Montreal; H. O. Fabricius, Ass't. Superintendent, Albany Felt Co. of Can., Cowansville; G. P. Fairley, Director, Thos. Bonar & Co. (Can.), Montreal; F. Gardner, Director of Research, Sinclair & Valentine Co. of Can., Toronto; R. A. Garnett, Ass't. Manager, Whiting Corpn. (Can.), Toronto; D. J. Hamm, Treasurer, Atlantic Wholesalers Ltd., Sackville, N.B.; G. B. Harden, Industrial Sales Mgr., The Bird-Archer Co., Cobourg, Ont.; H. J. Heinrich, Planning Co-ordinator, Trans-Canada Air Lines, Montreal; A. F. Klinkhammer, Comptroller, The Slingsby Mfg. Co., Montreal; T. M. Kirkwood, Branch Manager, John Labatt Ltd., Montreal; W. E. Lynes, Mgr. Commercial Products Div., Cdn. Resins & Chemicals Ltd., Montreal; Dr. J. Macnamara, Chief Chemist, Algoma Steel Corpn., Sault Ste. Marie; P. C. Martin, Purchasing Agent, Anglo-Canadian Pulp & Paper Mills Ltd., Quebec; J. C. McDougall, Planning Supervisor, Trans-Canada Air Lines, Montreal; G. Milner, Planning Supervisor, Trans-Canada Air Lines, Montreal; F. H. Moison, Plant Engineer, Cdn. Johns-Manville Co., Cdn. Products Division, Asbestos, Que.; W. L. Page, General Sales Manager, Spartan of Canada Ltd., London, Ont.; C. Ralph, Controller's Dept., Anglo-Newfoundland Dev. Co., Grand Falls, Nfld.; R. J. Reader, Plt. Manager, Bathurst Power & Paper Co., Hamilton; T. B. Rose, Senior Accountant, Northern Electric Co., Montreal; J. A. Ryan, Control Engineer, Anglo-Newfoundland Dev. Co., Grand Falls, Nfld.; H. S. Winfield, Vice-President and Ass't. Gen. Mgr., Mathews Conveyer Co., Port Hope, Ont.; J. Winn, Ass't. General Superintendent, Anglo-Cdn. Pulp & Paper Mills Ltd., Quebec.

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Army Brings 10,000 New Neighbors to Fredericton

What would you expect if 10,000 new next-door neighbors were moving in?

People in New Brunswick aren't sure just what it's all going to mean. But they know it will involve a boom for business and a new encouragement to the region's agriculture.

Already they're feeling some of the impetus that giant Camp Gagetown will give their community. Here are examples:

—When a textile mill closed at Marysville, a town near Fredericton, pessimists predicted a local economic disaster. But almost everyone from the mill who wanted a job has one now; everybody didn't go to work at Gagetown, but many of them replaced people who did.

—The job of postmaster at Camp Gagetown was recently going begging, without a taker. Reason: it pays only $1,850 a year. That would once have sounded like a tolerable deal to many in the area, but not now.

—Rents are running $100 a month for acceptable family accommodation in the neighborhood of the camp. They aren't so much lower in Fredericton for new construction.

—Merchants are vying for the privilege of operating stores in the shopping centre planned for the community that will house married personnel and their families. (Some 1,400 housing units in the first stage).

—The area has been getting a brief preview of things to come with summer camps under canvas in the south part of the area. Wholesalers and suppliers bid actively for the supply of provisions to 10,000 troops. They're also ringing cash registers because of about 4,000 construction workers on the job at recent date. There'll be 6,000 this summer. With 16,000 extra spenders in the district, you can't help notice the difference when toting up your books.

—Mass meetings of farmers and businessmen are planned in Saint John River valley to see how farmers and suppliers can cash in on the new food demand. Plan is to grow vegetables. With proper grading and assured supplies, this will mean a big extra income for the region.

Payroll Snowball

When the $50 million-plus camp is finished, there'll be a permanent camp payroll of around $15 millions a year.

Most of the buildings in the camp would be completed by December, 1956. All static installations except the army Service Corps. depot should be finished by the end of this year. These installations include the ordnance, RECME and engineers' facilities.

The whole camp should be complete late in 1957, if the initial target of 1,400 housing units for married services personnel is regarded as completion. There are ultimately to be 2,100 housing units at Oromocto, near the camp.

By 1959 or 1960 Metropolitan Fredericton will have a population of an estimated 40,000, including Oromocto. Oromocto will have 10,000 to 12,000 people. (Civilians as well as services personnel will settle there). Permanent population of the army camp itself will be about 5,000.

The population of Fredericton is now about 18,000; 23,000 with suburbs. Surrounding areas that will develop are at present rural or semi-rural.

Add to that annual $15 million payroll the extra payrolls it will generate. Like a new factory, a new permanent army camp generates other new employment at two, three and more removes.

By September, 1956, about 500-600 housing units should be finished. Things will slow down in the winter of 1956-57, and then building will take a real spurt. There should be 1,400 housing units completed by the autumn of 1957.

There will be multiple housing units designed on a "dual purpose" plan. If war should come, they can be converted into barracks.

In addition, there will be three types of houses.

Civilians who work or have businesses in the town will be able to build their own houses in a special section set aside by Central Mortgage & Housing Corp., which is handling the townsite for the army.

There will be four schools, with 72 classrooms. One school will include high school grades.

Army doctors and nurses will tend the sick in a 125-bed hospital.

How much will the camp cost, complete? It's one of those things where estimates keep going up. Probable final figure will be somewhere between $50 millions and $75 millions. About $50 millions was the last official forecast.

Of irregular shape, the camp is 22 miles wide and about 30 miles long at its greatest dimensions. It contains 425 sq. mi. of area.

Meanwhile big patches of the rolling New Brunswick countryside look as if a hurricane had struck. Trees have been removed from some acres in a giant clearing operation.

Contractors with the most modern in equipment for the job have practically completed this work.

Most of the camp area, of course, is not being de-treed. Only those areas needed for buildings, parade and other exercises and for vehicles.

Sharing the Benefits

Who will benefit most from the camp?

Right now Saint John is nearer the 10,000 summer training troops. They're tenting in the part of the camp where the workmen aren't busy.

When the permanent tenants move into the residential part of the camp site, Fredericton will be nearer them—only about a dozen miles away, with Fredericton airport not more than a mile from the camp.

Saint John is only some 20 miles from the south boundary of the camp, but that is almost 30 miles south of the camp near Oromocto. Moncton is about 90 miles east of Oromocto as the crow flies.

"Favoritism," some Saint John people complained at first. They made dark hints, not necessarily warranted, about the fact that Fredericton is in a federal cabinet minister's riding.

Frederictonians say that of course most of the troops will prefer to go to Fredericton, since it's nearest, and the families in the town at Oromocto will do likewise, when they aren't shopping in the stores at Oromocto.

Saint John people hope that as a bigger centre they have an essentially stronger drawing card. They look for a lot of business for suppliers and wholesalers too.

And in Moncton, though they concede they aren't too handy to Oromocto for short shopping or week-ending jaunts, they see a big share of wholesaling and distributing business coming their way. Moncton is a key centre for these purposes in the whole Maritime region.

Fredericton lost out on the camp, in a sense. The Government was thinking of building the town for married personnel adjacent to Fredericton instead of outside the camp. The idea was to blend the community closely with Fredericton.

But officials and the people and council of Fredericton just couldn't see eye to eye on the financial terms. Fredericton wanted the new development to take on financial burdens to which Federal Government didn't agree. Or if you look at it the way the Fredericton bargainers did: the Government wasn't willing to accept its proper responsibilities.

But it will still be a thing for Fredericton business.

Any substantial growth in business in Fredericton itself might tend to hike property values downtown there. Land is not too available for building without demolition of existing buildings. Downtown Fredericton is built on a flat area backed up with hills. Residential building is now climbing the hills. Land on the flat area is increasingly valuable.

Frontage on the main street downtown which sold for $1,200 a foot recently, sold for $600 some years ago.

Local Industry Scores

The construction phase of the camp has meant business to the local construction industry. A Saint John firm got a $1.9 million contract to supply 150,000 yards of concrete from a ready mix plant, for instance.

Several New Brunswick and Nova Scotia firms got contracts for clearing land in the camp area.

Many suppliers and wholesalers are servicing the camp this summer.

The province's coal industry will benefit from the camp through 46,000 tons of coal it will

(Continued on page 32)

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Loss Ratio Again Declines For Ontario Auto Insurers

Loss ratio declined on automobile insurance in Ontario in 1954 for the third successive year.

Although net losses incurred by insurance companies in the province rose by 9.3% from $38.9 millions in 1953 to $42.5 millions last year, there was an increase of 11.5%, from $69.9 millions to $77.9 millions in net premiums earned. As a result, the loss ratio was reduced to 54.6% from 1953's 55.7%. Here are the statistics:

AUTOMOBILE INSURANCE PREMIUMS & LOSSES IN ONTARIO DURING 1954
(Excluding Adjustment Expenses)

COMPANIES JOINT STOCK	Net Prem. Written $	Net Prem. Earned $	Net Losses Incurred $	Ratio Net Losses Inc. to Net Prem. Earned %
Acadia	111,635	76,372	73,992	99.5
Adriatic Insurance Co.	66,903	51,204	35,376	69.4
Aetna Casualty and Surety	17,965	11,787	3,335	28.2
Aetna Insurance	325,750	323,981	167,405	51.6
Alliance Assurance	30,281	28,938	29,949	103.4
Allstate Insurance	1,763,704	1,243,215	726,812	58.4
Alpina Insurance	252	116	....	....
American Automobile Fire	....	....	—120	....
American Automobile Insurance	1,661,378	1,721,075	951,724	57.0
American Insurance	116,820	113,699	72,930	64.0
American National Fire Insurance Co.	11,012	7,406	3,028	40.8
Anglo Canada	481,376	474,284	271,823	57.3
Anglo-Scottish Insurance	91,412	90,726	46,548	51.3
Arex Indemnity	260	4,254	—2,606	....
Atlas Assurance	164,046	185,834	81,425	43.8
Baloise Fire Insurance Co.	266,743	253,280	112,453	44.4
Beaver Insurance	51,872	50,368	35,449	70.3
British America Assurance	1,230,429	1,228,670	594,824	48.4
British Canadian	2 0,819	217,296	178,030	81.9
British Commonwealth	8,128	5,303	2,937	55.3
British Empire	419,482	439,616	194,676	44.2
British General	100,283	100,564	51,051	50.7
British Law	128,801	106,861	54,158	50.6
British Northwestern	233,979	256,262	144,008	56.2
British Oak	51,872	49,334	35,405	71.7
British Traders	326,794	322,219	221,155	68.6
Caledonian Insurance	62,196	38,530	23,020	47.8
Calvert Fire	294,945	255,603	128,351	50.2
Camden	....	....	....	....
Canada Accident & Fire	263,312	209,136	146,774	70.7
Canada Security	230,745	236,929	135,121	65.4
Canadian Commerce	86,635	81,440	62,305	76.7
Canadian Fire Insurance	779,662	737,221	379,335	51.4
Canadian General Insurance	538,029	514,191	207,877	40.3
Canadian Home Assurance	179,029	157,309	93,896	59.6
Canadian Indemnity	629,936	629,624	463,866	55.8
Canadian Reinsurance Co.	146,836	97,715	32,876	33.6
Canadian Surety	493,463	497,632	246,385	49.5
Car & General	99,469	92,262	48,971	53.0
Casualty Co. of Canada	653,582	646,878	333,399	51.6
Century Insurance	94,889	94,149	74,017	78.6
Citadel Insurance	53,9.8	47,277	24,239	51.2
Christiania General Insurance	....	178	....	....
Commercial Union	162,929	165,695	84,282	50.8
Connecticut Fire	33,615	48,093	25,064	52.1
Consolidated Fire & Casualty	734,091	707,546	350,795	49.5
Continental Casualty	84,693	71,516	—12,372	....
Continental Insurance	68,203	73,421	55,678	75.8
Contingency Insurance	29,299	24,707	—7,038	....
Co-operators Insurance Association	1,264,342	1,171,500	676,416	57.7
Cornhill	104,935	106,128	57,059	53.7
Coronation Insurance Co.	434,090	484,090	371,762	76.7
Dome Insurance	13,604	13,604	8,055	51.6
Dominion of Canada General	2,586,242	2,589,628	1,116,148	43.1
Dominion Insurance Corp	106,227	106,874	42,021	39.3
Eagle Fire	36,325	60,771	21,420	35.2
Employers' Liability	1,704,168	1,641,801	739,405	44.4
Employers' Reinsurance	2,043	1,254	—20,953	....
Emmco Insurance Co.	1,114	44	535	....
Equitable Fire & Marine	10,724	9,619	5,018	52.1
Eureka-Security	3	6	....	....
Federal Fire	398,661	382,218	175,488	45.9
Federal Insurance	958,334	895,146	528,977	59.2
Federation Insurance	63,721	88,932	40,329	46.9
Fidelity of Canada	399,737	358,194	164,550	46.2
Fidelity-Phenix	41,589	50,905	24,438	48.0
Fire Association of Philadelphia	7,562	3,799	1,058	27.9
Fire Insurance Co. of Canada	47,661	13,822	14,733	74.3
Fireman's Fund	23,020	12,743	10,267	80.7
General Accident	1,764,728	1,710,224	897,727	52.4
General Accident Fire & Life	691,117	699,368	347,358	49.6
General Exchange	2,841,058	3 142,490	1,975,054	62.8
General Security	195,393	182,082	106,594	58.5
Glens Falls	139,996	235,824	270,037	114.5
Globe Indemnity	153,792	147,673	72,247	48.9
Great American Indemnity	304,342	289,418	203,499	70.3
Great American Insurance	141,899	140,635	57,534	40.9
Great Eastern Insurance	109,296	96,951	63,317	65.3
Great Lakes Reinsurance	18,127	4,540	2,693	59.4
Guarantee Co. of N.A.	773	379	125	33.0
Guardian Assurance	198,920	179,020	140,600	78.5
Guardian Insurance of Canada	1,477,510	1,447,367	774,120	53.5
Guildhall Insurance	333,340	312,122	164,393	52.6
Halifax Insurance	855,744	837,831	403,761	48.1
Hartford Accident & Indemnity	458,399	483,593	160,843	32.3
Hartford Fire	230,342	239,655	65,230	27.1
Hastings Fire & Accident	154,319	143,237	75,614	52.7
Helvetia Swiss Fire Insurance Co.	19,885	15,222	10,787	70.8
Home Insurance	24,050	27,062	18,573	68.6
Hudson Bay	70,744	66,483	36,047	52.6
Imperial Guarantee & Accident	480,935	489,122	353,910	72.3
Imperial Insurance Office	74,210	73,784	38,274	51.8
Indemnity Insurance of North America	12,036	64,119	9,121	14.2
Insurance Co. of North America	5,963	4,846	2,104	43.4
Insurance Corp. of Ireland	10,366	9,755	4,670	47.8
Law, Union & Rock	106,866	109,073	84,213	77.2
Legal & General	23,963	24,469	18,303	73.8
Licenses & General	11,070	13,467	3,438	25.5
Liverpool & London & Globe	241,055	233,635	122,122	52.2
Liverpool-Manitoba	70,744	68,483	36,047	52.6
London Assurance	235,121	234,476	139,929	59.6
London-Canada	168,997	177,272	84,398	47.6
London & County	6,645	6,313	4,334	69.6
London & Edinburgh	940,510	923,238	487,744	52.8
London Guarantee & Accident	390,576	411,908	170,474	41.3
London & Lancashire Guarantee & Acc.	382,313	529,614	366,920	69.2
London & Lancashire Insurance	769,773	767,928	543,150	70.9
London Provincial Marine & General	141,858	132,855	78,577	59.1
London & Scottish	50,020	50,728	24,070	47.4
Maryland Casualty	303,584	290,217	146,605	50.5
Mercantile & Gen. Reinsurance (Lon.)	135,479	131,466	131,864	100.3
Mercantile & Gen. Reinsurance of Can.	239,901	251,909	263,727	104.6
Merchants Fire	161,487	176,076	185,608	105.5
Merchants Marine	18,379	20,474	7,931	38.7
Mercury	15,697	20,271	7,901	39.0
Merit Insurance Co.	4,319,053	2,621,031	1,734,606	66.1
Metropolitan Casualty	1,099,667	1,085,637	371,384	34.6
Monument Insurance	23,925	25,966	17,401	66.9
Motor Union Insurance	166,126	146,073	90,942	62.2
National-Ben Franklin	38,366	45,587	33,141	72.7
National Fire & Casualty	25,692	10,685	7,933	74.2
National Fire of Hartford	124,144	110,209	67,194	60.9
New Hampshire Fire	44,145	48,976	25,018	51.0
New Idria Assurance	296	149	2,500	167.7
New York Underwriters	14,402	13,300	4,736	35.6
New Zealand Insurance	197,827	190,162	79,349	41.7
Niagara Fire	81,312	83,512	30,445	36.4
Nordisk Reinsurance Co.	842	873	....	....
North British & Mercantile	336,066	338,023	189,230	55.9
Northern Assurance	467,824	406,302	237,032	58.3
Northwestern National	7,197	8,045	5,629	70.0
Norwich Union Fire	997,969	1,037,717	327,364	30.8
Occidental Fire	112,924	103,797	30,892	46.1
Ocean Accident & Guarantee	585,310	588,437	287,167	50.7
Ontario Casualty Insurance	502,270	529,294	253,566	48.0
Orion Insurance	93,429	84,755	58,344	68.7
Pacific Coast Fire	91,320	90,611	46,348	51.3
Palatine Insurance	62,876	62,853	31,903	50.7
Patriotic Assurance	5,425	5,317	3,411	61.8
Pearl	659,406	604,356	350,494	57.9
Phenix Fire of Paris	1,574	1,468	118	8.3
Phoenix Assurance	506,204	449,213	261,328	58.0
Phoenix of Hartford	97,093	87,854	23,085	26.2
Pilot	2,588,196	2,611,674	1,182,070	45.2
Premier Insurance	131,842	131,642	87,666	66.7
Progressive Insurance	—2,117,247	123,533	85,206	68.9
Providence Washington	151,846	142,185	69,230	48.6
Provident Assurance	84,546	53,009	49,545	93.4
Provincial Insurance	120,698	121,490	73,223	60.2
Prudential Assurance	534,292	520,621	307,282	59.0
Queensland Insurance	5	—79	1,930	....
Railway Passengers	128,065	129,427	47,999	37.0
Reinsurance Corp.	2	....	....	....
Reliance Insurance of Canada	38,297	34,331	17,903	52.1
Reliance of Philadelphia	3,807	2,631	2,393	90.9
Royal Exchange	171,333	136,285	91,261	57.6
Royal Insurance	582,023	553,158	303,142	54.8
St. Paul Fire & Marine	84,417	84,639	52,413	62.0
St. Paul Mercury Indemnity	141,994	151,778	122,360	80.0
Scottish Canadian	212,987	198,546	137,274	79.2
Scottish Insurance	215,875	217,910	120,099	55.3
Scottish Metropolitan	222,387	223,418	148,897	66.6
Scottish Union & National	351,288	396,391	218,735	55.1
Security Insurance of New Haven	46,673	37,046	16,627	44.8
Service Fire Insurance	363,937	551,922	261,726	47.4
Simcoe Insurance Co.	49,483	26,184	13,445	51.0
Standard Insurance of N.Z.	13,192	7,954	4,405	55.3
Sun Insurance Office	315,863	293,038	176,616	59.1
Svea-Norman Insurance	10,366	9,756	4,670	47.8
Switzerland General	....	....	....	....
Toronto General	432,024	420 702	169,917	40.3
Traders General Insurance	1,426,030	1,229,290	867,321	69.9
Transcontinental Insurance	200,880	220,900	153,637	68.5
Transportation Fire & Casualty	38,962	38,801	11,384	29.3
Travelers Fire	139,938	154,126	43,621	28.3
Travelers Indemnity	1,446,140	1,447,604	970,678	67.0
Union Assurance	73,212	73,424	38,289	50.7
Union Fire, Accident & General	64,686	63,071	47,978	73.7
Union of Canton	606,963	593,295	410,721	68.8
Union Marine & General	112,726	149,135	5,184	3.4
United National Indemnity	210,889	203,309	96,609	47.7
United Scottish	11,611	7,772	4,845	62.3
United States Fidelity and Guaranty	519,725	508,422	263,218	51.7
United States Fire	1,219	1,250	3,618	289.4
Unity Fire & General Insurance Co.	1,190	608	188	30.9
Upper Canada	246,434	216,385	98,417	45.5
Victory Insurance	26,869	18,783	9,789	58.4
Wellington Fire	949,319	920,833	528,335	57.3
Wentworth Insurance	156,037	156,037	54,469	34.9
Western Assurance	2,080,129	2,113,689	1,017,206	48.1
World Auxiliary Insurance	190	90	....	....
World Fire & Marine	....	....	—473	....
World Marine & General	136,467	151,963	145,432	95.7
Yorkshire Insurance	342,016	322,221	229,498	71.2
Zurich General Accident & Liability	3,494,771	3,701,777	1,681,564	45.6
MUTUALS				
American Mutual Liability	2,324	3,348	583	17.4
Canadian Mercantile	134,408	113,919	62,562	54.9
Central Mutual Insurance Co.	....	....	....	....
Commerce Mutual	134,642	114,456	62,562	54.6
Economical	1,965,885	1,933,209	996,995	51.4
Employers Mutual Liability Insur. Co.	1,434	721	300	41.6
Federated Mutual Implement & Hardw.	421,704	403,908	201,724	49.3
Gore District	1,158,451	1,111,310	543,115	48.8
Liberty Mutual Fire	214,245	214,353	176,359	82.2
Liberty Mutual Insurance	18,513	22,418	3,722	16.6
Lumbermen's Mutual Casualty	1,291,729	1,423,206	723,081	50.9
Saskatchewan Mutual Fire	68,826	37,598	29,272	77.8
State Farm Mutual	2,505,217	2,297,535	1,573,288	68.4
Wawanesa Mutual	1,399,783	1,414,212	694,563	49.1
Waterloo Mutual	693,299	639,669	337,353	53.5
OTHER				
Co-operative Insurance Society*	274,955	261,977	264,427	101.2
Canadienne Nationale*	29,863	23,316	13,963	54.9
General Casualty Co. of America*	30	30	....	....
General Ins. Co. of America*	56	35	....	....
General Reinsurance*	816,470	623,407	333,293	53.4
Newfoundland American Ins.*	208	117	....	....
North Star Reinsurance*	....	3,547	—872	....
Non-Marine Underwriters at Lloyd's	2,226,252	2,253,843	892,479	39.6
Totals for 1954	78,418,320	77,891,123	42,512,683	54.6
Totals for 1953	76,060,107	69,831,892	38,884,357	55.7

$23 Million Army Barracks Highlights Edmonton Boom

EDMONTON — Construction continues to monopolize the limelight in Edmonton business circles — both in home and heavier project fields.

Edmonton is rapidly taking on the stature of a major garrison city with large construction projects now under way spurring the $23.5 - million development of Griesbach barracks.

At the moment a dozen major contractors and a host of subcontractors are at work on the square-mile Griesbach area just outside the north city limits. Present projects total about $6 millions. Construction is expected to be completed in two or three years.

Griesbach is being built up to house the Princess Patricia's Canadian Light Infantry and also as headquarters for Western Army Command.

Edmonton will feel the impact businesswise. Right now the 1,400 soldiers and civilians, employed by the army, have an annual take-home pay of $3.6 millions. When Griesbach is completed and the PPCLI established, it will boost the local regular army strength to about 2,500 and push annual take-home pay figures to approximately $6 millions.

Buying supplies and services represents another $3 millions a year the army is distributing in Edmonton. This is expected to reach $12 millions when Griesbach is completed.

Under construction are such things as churches, schools, garages, workshops, supply depots, drill hall, administration building, barrack blocks, officer and NCO quarters and warehouses.

Utility services will be going in this year. Nearly $2 millions will be spent on these services.

Looks Like Record Year

Total value of building permits issued in Edmonton for the first five months of 1955 is $19,651,483 compared with $21,453,875 last year which was a record building year in Edmonton.

So far this year, Edmonton builders have poured $10,387,322 into housing construction. This is about $921,000 down from the same period in 1954. The trend now is toward houses and away from apartment blocks.

Builders to the end of May had taken out 1,025 house permits with a total value of $10,201,322, compared with 963 permits totaling $9,323,300 in 1954. In the same space of time only five permits were taken out for apartments valued at $186,000. In 1954 at this time 23 apartment permits had been issued with a total value of $1,996,000.

Commercial and institutional building are also lagging behind last year, but public building is ahead. Forty-five permits have been issued for commercial buildings up to May 31 with a total value of $1,238,515. Last year it was 56 permits valued at $3,301,576. In the institutional class 23 permits worth $1,009,642 have been taken out. The 1954 figures are 30 permits worth $1,248,970.

So far this year three permits have been issued for public buildings, adding up to $3,483,256.

Add to Services

Meanwhile, work is already under way on a $1,750,000 extension to the Edmonton water plant. Additional filtration equipment will be installed in the new wing to meet growing water needs.

This construction will mark the first time thin-shell construction has been used in Edmonton. When completed in 1956 the plant will have a capacity of 40 million gallons a day. Poole Construction Co., with a bid of $319,923, received the contract.

The single-story filter building will be erected with a roof of five reinforced concrete cylindrical shells four inches thick, supported by columns. The west wall of the building will be made of glass extending to the shell roof.

Officials say the shell construction offers the advantages of costing less and being quicker to build.

The two-story beam and slab chemical building will be on the south end of the filter structure. More than 3,000 creosoted woodpiles will be driven into the ground to support the new buildings.

Insurance Institute Elects George Ryrie

George Ryrie, vice-president and assistant general manager of North American Life Assurance Co., Toronto, was elected president of Life Insurance Institute of Canada this week. The institute is the educational arm of the life insurance business in Canada.

Other officers elected were George Aitken of Great-West Life, Winnipeg, to be first vice-president; M. F. Auden of Confederation Life, Toronto, second vice-president; D. E. Weaver of Mutual Life, Waterloo, Ont., secretary and treasurer.

T. N. BEAUPRE

appointed vice-president Canadian Chemical & Cellulose Co., continues as secretary.

Divert Rail, Highway For Beechwood Project

FREDERICTON—A Grand Falls firm, Victoria Construction Co., has been awarded a $328,446 New Brunswick Electric Power Commission contract covering its Muniac rail-highway diversion a few miles north of the Beechwood hydro development.

Chairman Edgar Fournier explained the contract covers the relocation of 1½ miles of Canadian Pacific Railway line and a one-mile stretch of No. 2 highway between Bath, Carleton Co., and Perth, Victoria Co.

Moving of the stretches of railway and highway to higher ground is necessary to prevent flooding when the head pond of the $50-million hydro project is filled late in 1957. Work on the diversion is slated to start at once, and to be completed before the end of this year.

Guardian of Potatoes Goes South In Winter—To Work

S. F. Clarkson goes to Florida every winter as part of his job. Sounds like the life of Riley, some people might say. But it isn't so.

For he is a scientist and director of plant protection at the New Brunswick Department of Agriculture; and as such has to look after a big potato patch in warm Florida.

The job he does is a vital part of the Department's service to potato growers. It helps keep New Brunswick potatoes in the forefront of international agriculture by keeping their quality high.

When Clarkson is down there, no far from St. Petersburg, he is pre-testing for disease samples of seed potatoes submitted to him by various growers up north. The department gets out a booklet which lists the results he finds and lets buyers of seed potatoes know what percentage of disease, if any, to expect in numbered lots of seed offered by different registered sellers.

The sample lots are sprouting in the warm soil of Florida while it's still winter in New Brunswick.

The greatest number of growers' seed has no disease or next to none. If anybody should have more than a small percentage, his seed potatoes are out of the running and out of the Government's good books.

Large amounts of seed potatoes are shipped to the U. S. and to South America from New Brunswick. The very warm weather that gets the sample potatoes off to a telltale start under Mr. Clarkson's care helps ensure a market for the rest of the lot.

Potatoes tend to run down in quality with continued plantings in warm climates, so American growers buy fresh seed potatoes from New Brunswick.

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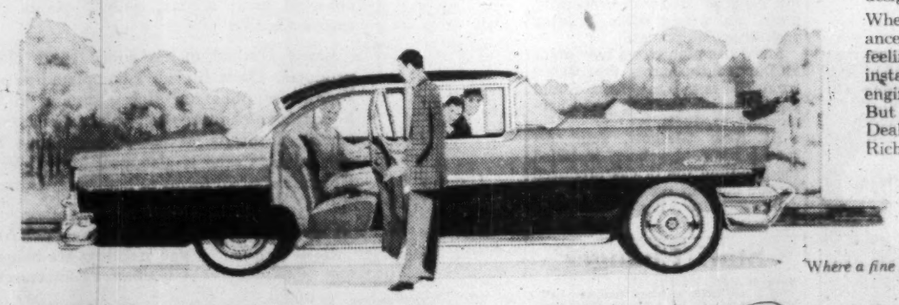
The completely new, entirely different and distinctive Monarch Richelieu Four-Door Sedan is the lowest, sleekest sedan in Monarch history—measuring only 58½ inches from road to roof! This brilliantly beautiful car has been designed expressly for those who want the strength and rigidity of sedan construction and the convenience of four-door design with the low, slim, elegance of hardtop styling! The extra length of the streamlined top makes this unique car even handsomer than a regular hardtop, while its four-door design brings you all the advantages of limousine roominess and luxury.

When you drive this newest of Monarch models, you'll find that its performance matches its style distinction in every respect! You'll get a wholly new feeling of security and confidence when you discover the eager power that's instantly at your command—power from a great new overhead-valve V-8 engine (188-Hp. or 198-Hp.) by the world's most experienced V-8 builder. But try it for yourself—this is your invitation to see your Ford-Monarch Dealer and arrange to take the wheel of this lithe and lively Monarch Richelieu Four-Door Sedan.

Sedan strength, four-door convenience... with that new low-to-the-ground silhouette



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Certain features illustrated or mentioned are "Standard" on some models, optional at extra cost on others.

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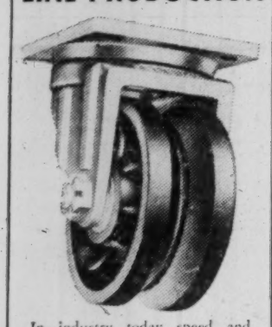

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They'll Get a Business Boom

(Continued from page 30)

burn each year in its central heating plant.

This addition to the provincial market is important to the mines at Minto. Coal output in the province is not large.

The heating plant is unique in its kind and scope. The construction contract alone is upwards of $2 millions.

The structure will be the equivalent of nine stories tall, a landmark for miles around. It will need 22 miles of underground pipe to carry heat to the campsite and the 1,400 housing units at Oromocto.

What will the impact be in non-dollar ways?

Such a big service establishment next to one of Canada's smallest capital cities will impinge in a big way on social life.

Already, with troops coming in for summer training, they're making preparations in both Fredericton and Saint John that will become permanent later on.

The Salvation Army bought an old Fredericton hotel. They'll fix it up into a leave centre. The Knights of Columbus also plan to assist soldiers to get billeting.

A central registry for troops who want a place to stay for the night is being arranged, with churches taking a prominent part. One church has a weekly "army night" of entertainment lined up.

Fredericton will be getting about 250 soldiers a day into the city on leave this summer.

The Canadian Legion in Saint John, to meet needs of Gagetown soldiers, has just completed an $89,000 new section of its building. It will have air-conditioning and modern decoration, and serve ultimately as a ground floor for a larger building.

Legionnaires expect upward of 400 personnel from the training area alone will use the enlarged leave centre daily during this summer. (Large numbers of Royal Canadian Air Force and Royal Canadian Navy men were among the 20,000 armed services members who registered at the centre last year.)

Restores the Balance

Gagetown redresses the balance between New Brunswick and Nova Scotia on defense establishments. Nova Scotia has always benefited considerably from the presence of the navy in large numbers. (About 7% of Nova Scotia's labor force were in the armed services in census year.)

But the site of Camp Gagetown was chosen as the result of a methodical research by military experts.

It had to have lots of room, to provide for training of troops on a divisional scale. The Korean war had demonstrated the need for a camp with adequate space for troops to manoeuvre.

It also had to be on the east coast, near ports of embarkation and rail services.

The type of terrain was important. Some army camps in Canada are on low cost land that isn't much good for anything including army use.

But Gagetown has a wide variety of terrain for military exercises.

The lowland parts of Gagetown have been likened to the north plain of Germany. The hills have some similarity to the sort of thing met in countries like Korea. There are streams and forest, mud and hills to test the mettle.

Gagetown, the village nearby, that gives the camp its name, owes its founding to the army—the one that fought for Britain's cause in the American Revolutionary war.

Refugees from the revolution, United Empire Loyalists, settled there, led by a General Gage for whom the settlement was named.

Families who left houses and barns to be boarded up and labeled "Out of Bounds" by the army had been there for generations in many cases. Loss of the ancestral home was not easy to such, but the army tried to be as fair as possible in compensation.

How to run the municipality that will serve the people who live in the new houses presented a problem. It won't be like most communities, with most of its residents in rented quarters and stationed there on military service.

So, the legislature has incorporated the Town of Oromocto on unorthodox lines. Seven commissioners will govern it, four of them, including the chairman, appointed by the Federal Government, and three by the province.

Timmins Gets Its Airport Shows Persistence Pays Off

A six-year campaign by the Timmins Chamber of Commerce has paid off in a minor aviation boom involving capital investment of more than $1 million.

The $325,000 Timmins-Porcupine airport was officially opened Saturday. With the dedication of the single runway field, served by two daily TCA flights to Toronto, came the announcement of expansion plans including road improvements, extra flights and a $550,000 additional runway.

The announcements were a recognition of the success of the mining area's determined efforts to secure a convenient air link with neighboring Sudbury and Kapuskasing and the Toronto head offices of most of the major mines in the district.

Pressure for the airport project began in 1949. The existing TCA service to Porquis, Ont., 45 miles away, was considered inadequate because of limited facilities and the time-consuming drive necessary to get there.

How They Worked

Timmins Chamber of Commerce organized an Airport and Aviation Committee which located a suitable site—despite Department of Transport predictions that none was available—bought the land, cleared it and built a connecting road to the city. Representations to Ottawa paid off in 1953 with the announcement that funds were being allocated by the Transport Department for construction of the initial 4,000-ft. paved runway on the airport site.

Construction was completed this spring and TCA service was immediately switched from Porquis. Passenger traffic tripled overnight and TCA officials report the development of a promising air freight business.

Brigadier C. S. Booth, Assistant Deputy Minister of Transport, told the inaugural banquet: "Without the patient, untiring efforts of the members of the community and many demonstrations of a sincere desire for it, there would have been no basis or justification of an airport here."

The Department of Transport is calling for tenders for the second runway for June 30. Construction of the 10,000-ft. runway is expected to get under way by Aug. 1 with total cost estimated at some $550,000.

Coincident with the airport ceremonies was the dedication of a cairn on the banks of the Frederick House River, 20 miles east of Timmins, in memory of Edward Orr Taylor, in whose name the first mining claim was staked in the Porcupine area 50 years ago.

Fredericton Plant Completes Growth

L. E. Shaw Ltd., manufacturers of building materials, is completing a $400,000 expansion program in different parts of the Maritimes.

The Fredericton plant has new machinery for making concrete and thermocrete units. Business at Fredericton is up with construction caused by the camp Gagetown project.

At Chipman, the company has completed an installation of oil burning equipment, and mechanization of the operation with fork lift trucks. The Chipman plant is also experimenting with packaging of bricks. Some packaged bricks have been shipped to Prince Edward Island and some to Georgetown, a method which involves cardboard cartons, steel strapping and lends itself to low cost mechanical handling of the product.

The Lantz plant, largest brick and tile factory in the Maritimes, has just been electrified. (It was powered with a steam engine.) New brick and tile machinery has been installed. There are now two production lines instead of one; these two lines don't run at the same time, but do raise capacity about 25% because of the extra flexibility they give the operation. A new large size concrete pipe machine and a new mixer were among the items added. The Lantz expansion cost some $100,000.

The Saint John plant, producing concrete and "Thermocrete" units, got a new office building and other equipment.

Shaw has plans for a new plant at Dartmouth, across the harbor from Halifax. This plant would make precast concrete and Thermocrete products.

At New Glasgow, four lift trucks have also been installed for handling the brick's produced by the modern tunnel kiln.

Shaw also has plants at Sydney.

Staff Changes

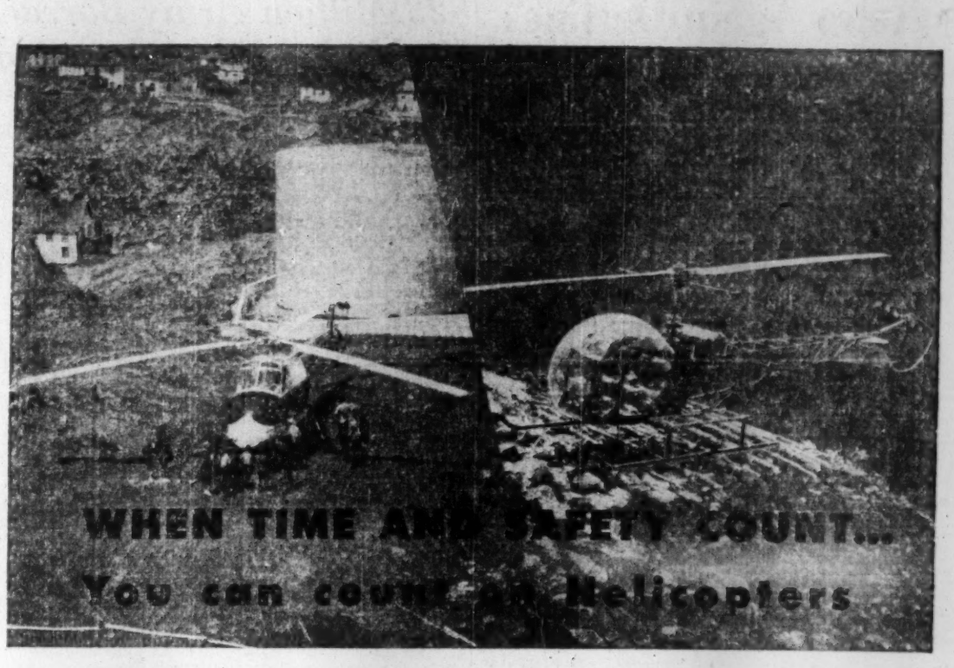
Nova Scotia:

W. G. CURRIE, assistant manager, Lethbridge, Alta., to be manager, Chilliwack, B.C.

K. B. MacNEIL, assistant supervisor of staff, Montreal, to be assistant manager, Vancouver.

W. B. BURBRIDGE, accountant, Coburg & Robie, Halifax, to be accountant, Sydney, N.S.

J. B. CARRUTHERS, to be accountant, Bloor & St. Clarens, Toronto.



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Crane Limited, largest Canadian manufacturer of plumbing and heating supplies, was incorporated in 1918, with factories and offices in Montreal. This company now offers coast to coast service, with 7 plants and 18 branches across Canada.

Crane Limited makes some 1500 different types of products. These include a complete line of plumbing and heating supplies for piping systems in factories, stores, hospitals and homes—every place, in fact, where gas, steam, water, chemicals or other fluids must be conveyed or controlled. Crane is also well known for the design and fabrication of all forms of bathroom fittings.

ANACONDA Copper and Brass

Here is another example of the varied uses to which Anaconda Copper and its alloys are being put by leading Canadian manufacturers.

Top: This complicated machine neatly bends ¾" Anaconda brass tube for swinging spout faucets.

Above: Brass tubes for sink traps are plated first with nickel, then chromium.

Below: Chromium plated 1¼" brass tubes for sink traps undergo inspection.

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REVALUATION OF PROPERTIES

EXTENSIVE PROGRAMME OF STORE DEVELOPMENT

The twenty-ninth Annual General Meeting of Marks and Spencer Ltd. was held on the 9th June at 82, Baker Street, London, W.1.

Sir Simon Marks, D.Sc. (Chairman and Joint Managing Director) who presided, said: Ladies and Gentlemen: May I take it that in accordance with our usual practice the Directors' Report and Accounts may be taken as read?

Profit and Loss Account

Our profit, after tax, amounts to £4,468,000—an increase of £1,451,000 over last year. Provision for taxation after making allowances for Budget changes requires £4,900,000 against £4,850,000. With £2,561,000 brought forward there is £7,029,000 available for distribution.

The Directors recommend a Final Dividend of 30% on the Ordinary and 'A' Ordinary Shares which, together with the Interim Dividend of 15%, makes a total of 45% for the year. Last year's dividend was equivalent to 32½% on the present Ordinary and 'A' Ordinary Capital. After the transfer of £2,000,000 to General Reserve, the payments of dividends and other appropriations set out in the Directors' Report, the balance to be carried forward is £2,515,000.

Revaluation of Properties

In my speeches since the war I have referred more than once to the considerable reserve represented by our properties, the great majority of which were acquired and built before the war.

At the end of July last year the Board instructed Messrs. Healey and Baker and Messrs. Hillier, Parker, May and Rowden to prepare a joint valuation of the Company's Freehold and Leasehold Properties. This "monumental task," to quote their Report, was completed recently and their certificate is now available. The figure set upon the value of the properties at the 31st March, 1955, is £35,297,191, as against our book value of £12,563,333 at the same date, and an original cost of nearly £16,000,000.

In their Report to the Board the Joint Valuers emphasise that our stores are situated almost without exception in premier positions in the principal shopping centres of the main towns and cities throughout the country.

They point out that a very large percentage of the stores at present operating have been completely or substantially reconstructed within the last twenty-five years. They draw particular attention to the high standard of the staff amenities and other accommodation not normally seen by the public, including the food storage and preparation rooms, "...where every effort has been made to ensure the most hygienic conditions."

They conclude their Report with the following statement:—

"We are of the opinion that the group of operational properties, which has taken many years to build up, forms a most valuable and outstanding retail chain which under present conditions would, for all practical purposes, be virtually impossible to repeat."

It is gratifying to have this independent judgment of the success of the policy we have pursued so consistently since the formation of the Company. I am grateful to the Partners of Messrs. Healey and Baker and Messrs. Hillier, Parker, May and Rowden for their Report.

We have incorporated the new value of our properties in the Accounts for the year 1954/55. The surplus revealed by the valuation, amounting to £22,733,858 has been credited to our Reserve Accounts. The sum of £3,410,643—the amount by which the cost of our properties had been written down — is now brought back and added to the General Reserve; the balance of £19,323,215 has been credited to Capital Reserve.

Certain installations which had previously been accounted for under the head of Fixtures and Equipment were included in the valuation as an integral part of the building. These items, which include heating, lighting and ventilating installations, have now been allocated to the Properties Account.

We have reviewed the rates of Depreciation applied to the Company's Fixed Assets and have decided that lower rates are adequate.

We spend a grat deal of money maintaining these assets—which include our properties, fixtures and equipment—in first-class condition. If I may quote once more from the Valuers' Report, they say:—

"...from our inspections we are able to record that the properties in the occupation of the Company appear generally to be in excellent order, the decorative condition of the retail stores and principal offices being exceptionally good. In our view the high standard at which these properties are maintained merits special comment."

Post-War Store Development

During the war we lost a number of our stores through bombing, many were damaged, and all of them suffered years of enforced neglect. In quite a number of these cases the main fabric of the building was affected; roofs and floors were in a bad state, and the general condition was much below our standards. The most urgent need, therefore, was to re-build and restore these properties.

Building controls and restrictions continued to be applied for some years to our class of property with almost war-time severity. The amount of work which we could do in this first phase was, therefore, limited. But as building restrictions were eased we put in hand a developing programme of structural and decorative work.

It was not until 1951, six years after the end of the war, that we were at last able to begin the rebuilding of our bombed stores. Whilst the carrying out of this task became a priority, the work of modernisation and improvement continued over the whole system. I am glad to say that fourteen of the bombed stores have been rebuilt and are trading, and that the rebuilding of the last one is under way. With its completion, the scars which war inflicted upon us will have been healed.

These stores have been re-built to high standards of construction. They are more spacious, they accommodate more customers in greater comfort and enable them to see and handle the wider range of merchandise we now offer. Modern systems of heating, lighting and ventilation have been installed and the amenities for the staff—Dining Rooms, Rest-Rooms and the like—have been planned on the most up-to-date lines. Following a tradition established many years ago, the frontages have been designed to fit in with the character of the cities in which they stand. We believe them to be imposing landmarks in the shopping centres of those cities.

With the complete removal of building controls in November 1954 a new phase began. At long last we were free to draw up a more systematic plan of development, and we accordingly set in motion a considerable programme of work. The emphasis of this programme, which involves an investment during the current year of about £3,000,000, is upon the extension of some thirty important stores. The process of extension in the majority of cases means a massive reconstruction, a complete transformation of the original store as to size, appearance and amenities for customers and staff. Many of the schemes are well advanced—some will be in operation before the end of the calendar year and will then become revenue producing.

The costs of building, restoring and developing our stores have been heavy. In the ten years up to March 31st last the expenditure amounted to some £18,000,000, all of which has been found from earnings. £15,500,000 represents the cost of development and re-equipment, and the remaining £2,500,000 has been invested in the purchase of new sites and additional land, and in the conversion of a number of important leaseholds into freeholds.

The fruits of this policy of expansion can be seen in the volume of business and the profits we now report. We plan to continue this policy systematically. Many of our stores are ripe for development. The investment required will be large. A considerable part will be found, as in the past, from retained profits. But in order to ensure that our development goes forward at the pace we consider desirable additional funds will be needed.

As a result of the revaluation of Properties, the Company's borrowing powers under the existing Debenture Trust Deed have been greatly increased and facilitate the acquisition of such further funds as may be required for the development of the business.

General Survey

I am pleased to report that our sales again increased substantially during the year. Our turnover exceeded £107,000,000—over £13,000,000 more than the previous year and £22,000,000 more than two years ago.

It has been a year of continuing national prosperity. With full employment, higher wages, and rising productivity, the purchasing power of the community is steadily increasing. The standard of life of the great majority of our people has risen appreciably. Goods, materials and foodstuffs are now available to the public in great profusion and variety. The nation has indeed come a long way since the period of shortages and rationing, less than three years ago.

The fertilization of industry by science and technology is surely one of the main causes of this remarkable change in our economy. Vast opportunities, rich in promise for the future, are open to the active partnership of industrialists and men of science. This partnership has already resulted in the establishment of entirely new industries, and has given new life to many of the older industries. Great factories have been built throughout the land, involving much capital investment, to develop and exploit the fruits of research, invention and discovery.

An interesting feature of this development is its widespread character. Every area of the country is benefiting from the up-surge of industrial activity. This, naturally, is having an important impact also on the shopping centres of our cities and towns. Our own programme of store expansion has been planned to cope with this actual and potential increase of business.

I have already spoken of the way in which we have rebuilt, expanded and transformed our stores, and of the large investment we have made in that side of our development. Our work in building up a system of fine stores is matched by an unceasing search for better goods and improved values, always bearing in mind the prices which the public can afford to pay.

This work of up-grading the wide variety of goods we sell is a collective effort. Our executives and the members of the buying departments work in close collaboration with our technical and specialist staffs, to whose contribution we attach much importance. Their activities are having a considerable effect on the character and quality of our goods, upon which our reputation depends.

It is gratifying to state that 99% of the goods we sell are made in Britain. Last year British mills supplied some 90 million yards of woven cloth and approximately 30 million pounds weight of hosiery yarns for our garments.

Our food division is benefiting by the fact that raw materials are now in free supply. We are therefore able to specify the best ingredients for particular products which are in great demand. Our policy of developing a selected range of high quality foodstuffs from the foremost producers in the country is meeting with success.

As you are aware, we demand the highest standards of hygiene and cleanliness in the production or handling of foodstuffs, and we enjoy the co-operation of our suppliers and of our staff in this policy. Our efforts in this connection have brought us praise both from our customers and from the public health authorities.

Popularity of "St. Michael" Trade Mark

Our customers, who are very discerning and selective, are quick to respond to our improved values. Our brand name "St. Michael" is accepted as a hall-mark of quality and taste. It is one of the best known and most popular trade marks and our goods are appealing to an ever-increasing number of customers.

We concentrate much effort in creating these values and services which have won the confidence of our public. We shall strive to maintain their goodwill—an asset which we cherish most highly.

Tribute to Manufacturers

It is always a pleasant duty to pay tribute to our manufacturers and suppliers, and to thank them for their co-operation. The production of the large quantities of goods and materials we require, and the high standards we set have faced them with many problems. They have adopted new techniques, installed new machinery, increased their factory space, and given special training to their staff. Many are investing large sums of money in order to expand still further their business with us. This is evidence of their confidence in our future progress together.

We give much thought to the ways in which we can help to iron out seasonal fluctuations in production. We try to estimate our requirements well in advance, and in consultation with our suppliers arrange a steady rhythm of production and delivery. This system brings about substantial economies in costs, the benefit of which we pass on to our customers, on whose approval and support both we and our suppliers are dependent.

Staff and Welfare

It has been my privilege for many years, on behalf of the Board, to thank the members of our staff of all grades for their devoted service, which means so much to the success of the business and the high reputation which our Company enjoys with the public.

The well-being of our staff is of deep concern to the Board, and we encourage every activity of our Personnel and Welfare Departments directed to that end. We regard welfare work as an important and, indeed, inseparable part of staff management. Our welfare activities are many and varied, and our 30,000 staff are distributed throughout the country. But I am happy to say that those who are responsible for this work maintain that personal touch without which their efforts would lose much of their value.

In the planning of our stores, our Dining-Rooms, Rest-Rooms and other amenities are specially designed for the comfort and convenience of our staff. Every day we provide meals at a very modest charge for all our staff—a service which alone employs 1,200 persons.

I have to report with much regret the death of Mr. J. Levi, our Dental Superintendent. It was thanks to his initiative that we were able to inaugurate our dental services as long ago as 1935. In his last Annual Report, for 1954, he stated:— "A study of the Reports sent in by our 202 inspecting dentists shows that a very high proportion of the Company's employees continues to make good use of the free services offered under our Inspection Scheme, and that, as a result, their dental health has been maintained at a very high level."

Our welfare and health services are, of course, only one element in the happy atmosphere throughout the business. The extensive provision which we make for training and education is much appreciated by our staff, who know that an expanding business is one with great opportunities for personal development and promotion.

The report and accounts were unanimously adopted.

Your insurance protection

FIRE
AUTO
CASUALTY

By VINCENT EGAN

One of the least expensive forms of casualty insurance, in relation to the protection it affords, is comprehensive personal liability insurance. A premium of $7.50 buys three years' coverage of $10,000 against all non-business liability.

With it, you're protected against the kinds of lawsuits that seem funny when other people are involved.

Personal liability insurance costs about 75% less in Canada than in the U.S. Insurance men say Canadians are less claims-conscious, less likely to hire a lawyer and go to court when an accident happens, or perhaps less likely to be sought out by a lawyer. Judges and juries here are said to have a more realistic attitude toward claims, less disposed to award astronomical settlements to claimants.

But even a moderate-sized judgment, if it's unfavorable, can mean financial ruin to many homeowners. That's why it's wise to consider some of the risks that the homeowner may face, and to know about the insurance protection against them.

Bodily injury liability insurance will take care of any havoc wrought by the policyholder, his family, his pets, children under his care—even by the woman who comes in to clean once a week. This protects you if your dog bites the postman, your tee-shot bounces off your caddy's skull, or Junior's playmate sets fire to himself on your stove. Besides the direct medical expenses, your insurance policy would cover your liability to the victim for loss of income, loss of services, disfigurement, embarrassment, impairment of facilities and the like.

Moral Responsibility

Medical payments insurance will pay medical bills for an accident victim on your behalf, even though you are not legally responsible for the accident. If you and your insurance company agree that you have a moral responsibility for an accident to a guest in your house, the policy will provide payment for medical, surgical, hospital, nursing, ambulance and funeral expenses.

Property damage liability insurance, as the name indicates, covers damage to the property, rather than to the person, of others. The damage can take place at home (playing catch with Junior, you might break your neighbor's picture window), or away from home (you might drop an ancient piece of Sèvres china in an antique shop).

Litigation expenses can be just as burdensome in a personal liability lawsuit as in an automobile suit, and just as heavy whether you win or lose. Your policy would protect you against charges you may never have thought of—court costs, investigation costs, bonds, etc.

Comprehensive personal liability insurance is probably the most all-inclusive of the various "comprehensive" policies now written by insurance companies. It takes the place of several types of protection formerly written as individual policies for homeowners, landlords, tenants, dog-owners and so on.

But it still has some exclusions. It doesn't cover your responsibility for damage or injury caused by your car; it is assumed that you have automobile liability insurance to guard against this. Nor does it protect you if you commit assault; the insurance company expects you to get along with your neighbors and your in-laws.

Do most of these liabilities seem remote? They are—that's why comprehensive personal liability insurance is so cheap. But if someone should sue you for $50,000 and win, it won't help to say that you haven't got the $50,000 on you. Your home can be foreclosed, much of your personal property seized, and your salary attached. Eventually, you'd pay.

Premium varies; at some companies, $10,000 protection for three years costs $7.50 if you live in a private dwelling (that's about 75% less than in the U.S.), $10 in a duplex. Add another $2.50 for employers' liability if you have permanent in-servants, $10 for permanent out-servants.

Avoiding accidents is, of course, even better than being insured in case of a lawsuit. You can greatly reduce the possibility of injury to yourself and others by checking the house from time to time for these points:

—Look for tripping hazards—roller skates, garden rakes—and put them away. Small throw rugs should be anchored, worn carpets mended.

—Look for loose floor boards, broken steps, loose bannisters, and have them repaired at once.

—Keep the grounds clear of broken glass, nails, gardening tools and junk.

—Clear out rubbish in the attic, oily rags and other fire hazards.

—Either repair or discard worn electrical cords, and disconnect appliances when not in use.

—Make sure gas burners are free from leaks and otherwise properly adjusted.

—Make sure that storm windows and window screens are fastened securely.

—Have chimneys, pipes and flues inspected and repaired regularly.

Gas Distribution Problem Will Be Solved—Oil Chief

Will present marketing problems of Canada's natural gas industry be overcome and multi-million dollar gas pipelines laid to Eastern Canada? "Yes" says a top Canadian oil official, Vernon Taylor of Imperial Oil. Here is a digest of his views expressed to the recent annual meeting of the Natural Gas and Petroleum Association of Canada at Hamilton.

By VERNON TAYLOR

It is my opinion that a satisfactory solution will be reached. I am not going to speculate on the details of settlement but I feel certain that Eastern Canada is going to have access to large volumes of natural gas and that the western Canadian producers are going to be able to export large volumes of gas.

So looking forward five years hence to 1960—it appears reasonable to expect that:

—At least 400 mcf of gas daily will be exported from Alberta to the East and South.

—Westcoast Transmission Co. could be transporting more than 400 mcf daily to the Pacific Coast.

—Local utilities in Alberta and Saskatchewan will need approximately 375 mcf daily.

Western Canada therefore would be required to produce nearly 1.2 billion cu. ft. daily of gas to meet these demands.

At the same time it is expected that proven gas reserves will continue to increase rapidly and that in the five-year period the present reserves will have increased from 18.0 trillion cu. ft. to nearly 35 trillion cu. ft.

Thus, even with expected rapid increase in demands and allowing for the fact that a substantial part of the new reserves may be found in areas where it is not economical to gather and transport the gas, accessible reserves in 1960 could be well over 50 times the annual production for that year. It is apparent therefore that Western Canada could still supply larger markets than are presently contemplated.

To date in Canada, natural gas has only contributed a very small amount of the over-all energy requirements. In 1945, it was responsible for only 3% of the demand while today it enjoys a 5% share. But, in the next five years, a more rapid increase is anticipated and by 1960, the natural gas share should be about 7½% or an increase of 50%.

It has been calculated on the basis of actual and expected Canadian conditions that moving heat in the form of natural gas is roughly three times as expensive as moving the same quantity of heat in the form of crude oil for the same distance. This means a bigger investment per Btu moved, and that larger diameter pipe had to be produced before long distance movement of gas could be considered.

But there is a fairly widely held view that engineering factors are not the sole cause of the slowness with which outlets for natural gas have developed. Perhaps one reason is ignorance of the natural gas industry and its problems. . . . An informational program has done much to answer many of these (questions) for the oil industry which continues to pursue an active program of this kind today.

I do not know if a similar program is needed by the natural gas industry, but in potential consuming areas particularly, it strikes me as important that people should have a realistic conception of what benefits may accrue from natural gas.

Whatever course may be taken, I think you will agree it is a matter of urgency that a solution to the gas problem be found. Potentially, this industry promises a tremendous new source of energy for the Canadian economy. Its development will stimulate additional investment and employment. And the existence of an adequate outlet for gas will act as a stimulus to the oil industry which has, as it were, had to fly on one wing owing to the absence of an economic market for natural gas.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Textiles

DOMINION TEXTILE CO. had a net profit of $496,718 in year ended March 31, 1955, including investment revenue of $568,835, compared with a net loss of $46,514 in previous year after investment revenue of $756,639.

Shipments were up in volume but average prices were down 3.2%, G. B. Gordon, president, states in the annual report. The smaller operating loss of $28,729, compared with $805,153 partially reflects cost reduction in operating units.

Surplus account of Drummondville Cotton was merged with the parent company through a liquidating dividend of $3,877,500. A total of $685,839 was added to surplus from amounts set aside for pension plan in previous years and held separately in a trust account.

Share of the combined total losses less profits of subsidiaries was $1,445,996 while dividends received amounted to $90,695. The major loss was suffered by Domil Ltd., in its fiscal year ended June 30, 1954. Domil operations in the current year have shown marked improvement.

A larger-scale plant expenditure program is planned for this year and will probably force "us to draw on funds available in our holding of marketable securities," Mr. Gordon says.

Main building of the old Hochelaga plant, where manufacturing was discontinued over a year ago, has been sold.

Dividends paid exceeded net earnings by $411,436 with the difference made up out of earned surplus. Capital expenditure commitments amounted to about $800,000 at March 31, compared with $250,000 at March 31, 1954.

Years Ended Mar. 31:	1955	1954
Net income	$3,684,325	$2,650,370
Less:		
Depreciation	2,561,843	2,110,956
Bond interest	558,722	562,327
Bond disc. amort.	23,657	25,601
Income tax	43,388	.....
Net profit	496,718	$48,514
Less: Pref divds.	135,842	125,642
Com. divds.	772,312	1,287,187
Deficit for year	411,436	1,471,343
†Loss.		
Times Bond Interest Earned:		
Before deprec.	6.39	4.71
After deprec.	2.01	0.96
Earnings per Share and Dividend Record:		
Pref.: Earned	$25.60	d$2.59
Paid	7.00	7.00
Com.: Earned	0.14	d0.07
Paid	0.30	0.50
CONDENSED BALANCE SHEET		
As at Mar. 31:	1955	1954
Cash	$140,355	$27,640
Accts. rec.	8,319,438	6,784,399
Investments	9,409,684	9,737,441
Inventories	17,249,653	20,275,791
Total curr. assets	35,217,130	36,825,271
Misc. assets	1,065,701	971,407
Inv. in & adv. to subs. & affil. cos.	11,321,690	13,911,424
Fixed assets	50,326,315	51,269,901
Total assets	97,930,836	102,978,003
Bank o'dft.	174,986	3,455,789
Accts., tax., etc., pay.	3,799,476	4,390,520
Deposits	16,142	270,699
Total curr. liab.	3,990,544	8,117,008
Notes pay.		6,211,316
Funded debt	14,492,000	14,595,000
Deprec. res.	39,062,228	36,388,933
Conting. res.	1,900,000	1,000,000
Pension fund	400,000	400,000
Capital stock	22,043,088	22,043,088
Surplus	17,937,976	13,717,658
†Market value	13,300,793	12,383,350
Working capital	31,226,586	28,708,263

Public Utilities

INTERNATIONAL POWER CO. consolidated net profit climbed 7.1% to $5,755,164 in 1954 from $5,372,988 in 1953.

Two subsidiaries, Monterey Railway, Light & Power Co., and Empresa de Luz y Fuerza Electrica de Oruro, S.A., are not included in the consolidated statement.

Construction expenditures totaled $5,016,150 in 1954 and are expected to be lower this year when about 31,000 kilowatts of new capacity go into service.

CONS. INCOME ACCOUNT

(In Canadian currency at par of exchange)

Years Ended Dec. 31:	1954	1953
Net earnings	$7,047,328	$6,577,707
Less: Subs. dividends	33,510	33,571
Depr. & ren. res.	1,168,474	1,081,493
Cont. & gen. res.	266,980	249,977
Min. int. in surp.	61,726	86,710
Add: Other int.	30,936	33,043
Net income	5,552,064	5,134,001
Add: Other inc.	274,938	300,134
Less: Misc. exp.	71,838	81,167
Net profit	5,755,164	5,377,888
Less: 1st pref. divs.	187,610	218,215
Common divs.	469,680	469,630
Surplus for year	5,097,874	4,685,993
Earnings per Share and Dividend Record:		
3½% pref.: Earn.		$147.21
Paid	$3.½	3.50
Common: Earned	28.45	26.34
Paid	2.40	2.40
†Redeemed Dec. 6.		

CONDENSED CONS. BAL. SHEET

As at Dec. 31:	1954	1953
Cash & Dom. bds.	$2,776,440	$4,378,792
Accts. rec., less res.	1,835,625	1,644,866
Inventories	1,440,374	1,795,643
Total curr. assets	6,052,439	7,779,301
Trust acct.	47,458	47,537
Misc. assets	92,539	140,401
Inv. in subs.	339,678	581,513
Fixed assets	42,818,129	33,034,272
Total assets	49,350,243	43,538,024
Bank loans	290,516	311,219
Accts., tax., etc., pay.	1,948,094	1,648,392
Divd. payable	117,420	117,420
Total curr. liab.	2,356,030	2,077,031
Trust acct.	47,458	47,537
Depreciation	11,375,069	10,314,189
Other res.	3,087,792	2,863,901
Min. int. of sub.	843,666	811,892
Tax pd. undist. inc.	1,874,730	1,290,019
Cap. reserve	13,115,726	.....
Capital stock	3,631,750	7,281,750
Capital surplus	8,643,600	7,972,443
Earned surplus	14,614,358	10,869,257
†Adjustments arising on consolidation, previously deducted from assets.		
Working capital	3,716,409	5,632,270

EAST KOOTENAY POWER CO., net profit was down 24.7% at $82,039 in the year ended March 31, 1955, from $108,940 in the previous year.

Gross revenue was down $266,395 because of the loss of the Consolidated Mining & Smelting Company's load. Plants generated 64,862,400 kilowatt hours compared with 105,878,700 kilowatt hours in the previous year. A wheeling commission brought the system total to 65,810,896 kilowatt hours, J. B. Woodyatt, president states.

"Under existing conditions, continued deferment of preferred dividends has been unavoidable," he adds.

Annual meeting will be held in Montreal on June 24, 1955.

INCOME ACCOUNT

Years Ended Mar. 31:	1955	1954
Total revenue	$810,120	$1,076,314
Net earnings	447,311	492,269
Less: interest	122,430	124,429
Depreciation	120,000	180,000
Bond disc.	1,257	3,900
Income tax	60,265	65,000
Net profit & surplus	82,039	108,940
Times Interest Earned:		
Before deprec.	3.66	3.66
After deprec.	2.19	2.32
Earnings per Share and Dividend Record:		
Pref.: Earned	$8.20	$10.89
Com.: Earned†	0.40	1.30

None paid on either stock.

†Dividend Arrears on preferred shares amounted to $161 per share at March 31, 1955.

CONDENSED BALANCE SHEET

As at Mar. 31:	1955	1954
Cash & mkt. secs.	$329,898	$146,712
Accts. rec.	71,637	72,466
Inventories	62,249	70,300
Total curr. assets	463,784	290,358
Prep. exp., etc.†	25,787	14,500
Co's bonds	36,454	13,602
Bd. disc. & exp.	.....	9,365
Fixed assets‡	4,447,925	4,629,492
Total assets	4,947,990	4,958,317
Accts., etc., pay.	17,248	23,695
Bond & debent int.	50,405	51,828
Taxes	54,484	44,717
Total curr. liab.	122,225	120,240
Funded debt	3,025,000	3,100,000
Capital stock	1,150,000	1,150,000
Surplus	650,765	587,977
†After depr. of	2,077,046	1,896,504
‡Incl. in curr. assets in co's report.		
Working capital	341,559	170,218

ANNOUNCEMENT

T. E. BURGESS

A. G. RANKIN

R. C. ANDREWS

H. G. Munro, President of British Columbia Forest Products Limited, today announced three executive appointments. T. E. Burgess has been appointed Vice-President, Production; A. G. Rankin has been appointed Vice-President, Finance; and R. C. Andrews has been appointed Comptroller.

Mr. Burgess graduated from the University of British Columbia in 1931 with degrees in Arts and Commerce. After wide experience in the Forest Industry he joined British Columbia Forest Products Limited in 1947 as Assistant General Manager. In 1951 he became General Manager.

Mr. Rankin graduated from the University of Toronto in 1938 with a degree of Bachelor of Commerce. The same year he joined the firm of Clarkson, Gordon and Company, Chartered Accountants, and qualified there as a C. A. In 1949 he became Manager of the University of Toronto Press and in 1951 he assumed the post of Comptroller of the University of Toronto.

Mr. Andrews graduated from the University of British Columbia in 1938 with a degree of Bachelor of Commerce. Following experience in the accounting field in the province, he joined British Columbia Forest Products Limited in 1946. He has been Internal Auditor of the company since 1952.

INDUSTRIAL RELATIONS

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THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JUNE 16, 1955

Range 1955 High	Low	Div. Rate $	Yld %	Company	Sales	Last June 10	Week end. June 10, 1955 H	L	Close
35	26	1.20	3.5	Abitibi	23081	33	35	33	34
27	23½	1.12½	4.2	Do. 4½% pref.	1246	26¾	23¾	26½	26¾
11	8	.50	4.5	Acadia Atlan.	2476	10½	11	10	11
106	103½	5.00	4.8	Do. 5% pref.	30	104	104	104½	104
25	22½	1.20	4.8	Do. (A)	1253	24½	25	24	25
8¼	7	.40	5.3	Agnew Surp.	525	7¼	7¼	7¼	7¼
19	9½	.55	5.6	Do. pref.	10	9¼	9½	9½	9½
2.65	1.60			Alot. Dist.	4255	1.20	2.50	2.00	2.40
7	1.50			Do. V.T.	10200	1.65	1.90	1.50	1.50
71	49			Algoma Steel	6697	60½	68½	60½	69
27	26	1.00	3.7	Alum of Can p.	1707	26¾	27	26¾	26¾
108½	106	5.25	4.9	Do. 2nd pref.	455	107	107½	106	107
106¼	69½	2.20		Aluminium	24362	96½	106¾	96¼	107½
8	7	.40		Andian Nat.	95	7	7	6	7
46½	38½	2.00	4.4	Ang. Cdn. Pulp.	2303	43	46¼	43	43
56½	53	2.80	5.1	Do. pref.	380	54½	55½	54½	54½
52	47	2.25	4.4	Ang. Can. Tel. p	175	50½	51	50½	51
13½	10½	.60	4.6	Ang. Nfld.	19120	12¾	13	12½	13
26	21½	1.20	4.6	Anthes Imp.	800	24	25	24¼	24½
1.15	.85			Arcan Corp.	3525	.95	1.60	.92	.97
28	20½	1.60		Argus	13715	24½	24½	23¾	24
59	53	2.40	4.2	Do. 2nd pref. A	1310	56¾	57¼	56	57
42	32½	1.00	2.3	Asbestos	19163	38½	42	33½	40½
15¼	13	1.48¼		Ashdown Hd. B.	535	15¾	14¾	14¼	14¼
18¼	13½			Atlas Steels	7645	17¼	18½	17¼	18½
10	8½	.60	7.1	Auto Electric	360	9¼	9¼	9	9
1.30	.80			Auto Fabric B.	300	.80	1.30	1.00	1.30
40½	36½	1.00	2.6	Bk. Can. Nat.	500	38	38¼	38	38½
46½	41½	1.20	2.9	Bk. Montreal	4748	44	45¾	44½	45
57½	52½	1.80	3.4	Bk. N. Scotia	762	57	57	56	56½
16	7			Barcelona	100	10	12½	12½	12½
63¼	58½	3.00	4.9	Bathurst Pr. A	4653	62¼	62	61	62
53	38	1.75		Do. (B)	780	47½	45½	47½	48
8¼	7	.40	5.4	Beatty Bros.	745	7¾	7¾	7¾	7¾
25	16			Beaver Lumber	1885	24¾	25	22	22½
9	6			Belding Cort.	280	8½	6½	6	6
6½	6			Belgium Stores	100	6	9¼	6¼	6¼
5½	4½	2.00	4.1	Bell Telephone	22536	49	50	49	49½
14¾	13	1.00	7.1	Biltmore Hats	47	14	14½	14	14
42¼	34½	2.50	6.3	Blue Ribbon, pf.	65	40	40	40	40
9½	7	1.03	+stk	Brazilian Tr.	40062	7¾	7¾	7¼	7¾
49½	47	2.90	6.0	Bridge & Tank p	65	48	48	47½	47½
2.40	1.10			Do. Warr.	125	2.25	2.40	2.25	2.40
24¼	21½	1.00	+.20	Br. Am. Bk. N'ts	50	24¼	24¼	24¼	24¼
29¼	25½	.85	3.0	Brit. Amer. Oil	17315	27¼	23½	27¼	28½
97	92	4.00	4.2	B.C. Elec. 4% pf.	85	95	96	93	96
106	103	4.75	4.5	Do. 4½% pref.	395	105	105	104½	105
54½	52	2.50	4.6	Do. 5% pref.	472	54	54	53	54
54¾	50½	2.25	4.3	Do. 4½% pref.	1490	52½	53	52½	52
13	8½	.40	3.1	B.C. Forest	33105	12	12	11¾	12
18	16	.75	4.3	B.C. Packers A.	473	17¼	17	17	17½
15	12	1.25		Do. (B)	1017	14½	15	14½	14½
22¾	21	1.80		B.C. Power	14781	30¾	32¾	30¼	31½
50	43½	2.00	4.6	B.C. Tele.	2025	48½	50	43¾	50
8	7	.40		B.C. Turf	1500	.78	.60	.80	.80
17¼	14			Brown Co.	38997	17	17½	16	17
118	105	5.00		Do. 1st pref.	3440	114½	118	114	117
16	11	1.30		Bruck S. Mills A	75	13	12	12	12
6½	4½			Do. (B)	45	4½	4½	4½	4½
46½	42½	1.50	4.0	Building Prod.	1095	44½	45	44½	45
29¾	25	1.00	+.50	Burlington Steel	450	27½	27¾	27	27½
65	60	3.00	+1.50	Burns & Co. A.	13	75	75	73	75
60	47	2.00	+.50	Do. (B)	1200	54½	54½	54	54½
8½	7¼	.45	5.4	Burrard D.D. A.	555	8	8¼	8½	8½
4	2½	.10	2.9	Canada Bread	825	3.35	3.75	3.35	3.50
43½	37	1.50		Can. Cement n.	10319	38	38½	37¾	38½
32¼	29	1.20	4.1	Do. pref.	2062	30¼	31½	30¼	31½
108	104	5.00		Can. Cr. Stone	450	104	104	104	104
22¾	20¼	1.00	4.3	C. & D. Sugar	5855	21¼	22¼	21¼	22
15	13	.40	3.1	Can. Folls	5	13¾	13	13	13
28¾	22½	1.20	4.3	Can. Iron	5430	27¼	28	27	28
200	147	11.75		Can. Life	75	166	170	170	170
8	8	.50	6.3	Can. Machine	175	8	8	8	8
81	65	2.00	+1.50	Can. Malting	170	76	78	74	78
14½	12½	.60	4.6	Can. Nor. Fr.	1250	12½	13¼	13	13
40½	37½	1.50	3.8	Can. Packers A.	220	40	39½	39½	39½
36¼	33	1.50	4.3	Do. (B)	370	35	36	35	35¾
90	83½	2.60	+4.40	Can. Perman.	80	86	86½	86	86¾
30	20	1.50		Can. Steamships	257	27	28	27	27½
14	12½	.62½	4.8	Do. pref.	380	13	13¼	13	13
18	16½	.80	+.20	Can. Vinegars	65	17½	18	18	18
75	65	3.00	4.4	C.W. Cable B.	126	68	68	68	68
8	6	.30		Can. Bakeries	336	8	8	8	8
44	39	1.20	2.9	Can. Bk. Com.	5222	41½	42	41	41½
31	25	1.25	4.4	Can. Breweries	20767	28¼	31	28½	28½
31½	28¼			Do. pref.	3830	31	31½	30	30½
31¼	27	1.25	+.50	Can. Bronze	680	28	31¼	28	30½
39½	29½	1.80	5.3	Can. Canners	2993	36	38	36	38
29	19½	.80	+.20	Can. Car & F'y	39248	26¾	29	25¾	28½
28½	21	1.00	3.4	Do. pref. A	9525	26½	28¾	25¾	28¼
25	20	1.30		Can. Celanese	5777	22	23½	21½	23
37½	32½	1.75	5.0	Do. pref. $1.75	1150	35	35½	35	35½
21¼	18½	1.00	4.7	Do. $1 pref.	1100	20	21¼	21¼	21½
12	8½			Can. Chem.	13680	11¼	11¾	10¼	11¼
11.75	8.60			Can. Collieries	13680	11¼	11¾	10¼	11¼
21	14			Can. Cottons	1615	16	15	15	15
12	7¼			Do. pref.	1040	10	8¾	7¾	7¾
23½	13½	2.25		Can. Dredge	3840	22¼	23	21¼	22
22¼	17¼	1.00	4.7	Can. Fairb.	390	19	21¼	19½	21½
4.10	1.75			Can. Food Prod.	3403	3¼	4	3½	3½
7¼	4			Do. pref.	485	6	6½	6½	6¾
65	33½			Do. pref.	275	60	60	59	59
32¼	30	1.10	+1.18	Can. G. Inv.	320	32	32	31½	32
9	7¼			Can. Hydro Cert.	3850	8	8	8	7¾
2.10	1.90	1.25		Can. Indust. '54	9745	21¼	22¼	20¼	21¼
99	95	3.75	3.8	Do. pref. '54	40	99	99	99	99
85	70	12.00		Can. Ingersoll R	120	77½	77	76	76
16	13	1.50		Can. Int. I. Tr.	2	15	15	15	15
98	93	5.00	5.3	Do. pref.	1	95	95	95	95
29	18			Can. Locomo.	3885	25½	29	28	28½
7½	6	1.06		Can. Marconi	2000	6¼	6½	6	6¼
23	17	.60	2.7	Can. Oil	6110	21	22	21	22
8½	3			Do. Warr.	5020	7½	8¼	7½	8¼
34½	28	1.75		Can. Pacific	26282	34¼	34¼	33¼	34
23¼	17¼			Can. Petrofina p	3615	24½	25	23¾	23¾
1.00	.75			Can. Pwr. & Sec.	1500	.99	.99	.98	.98
13¼	11½			Can. Salt	25	13½	13½	13½	13½
10	6			Can. Silk A	100	6	6	6	6
87	69	.60	1.6	Can. Tire	35	85	87	85	87
105½	102	5.00	4.8	Can. Utilities p.	100	106	105	103½	103½
47½	29½	1.50	4.3	Can. Vickers	3735	36	36	34	35
13	9½	.25		C. Wallpaper B.	200	13	14	13	13
19	12			Can. W Lumber	220	19	18	18	18
70	57	2.00	3.5	Can. Westingh'se	215	57½	57½	57	57
19½	18½	.80	4.2	Can. West Gas p	119	19	19¼	19½	19½
5	4¼	.11	+.04	Capital Estates	350	5.25	5.25	5.20	5.25
25	23	.90	+.10	Catelli Food A	50	29	29	29	29
23	22			Cent. Nor. Air B	100	22	21	21	22
6¼	4½			Chateo Steel	75	6	6¼	6¼	6¼
9	5½	.50	8.3	Do. pref.	50	7	6	5½	6
19	14½	1.00	6.3	Chateau Gai	230	15½	16	15	16
82½	63	2.50	+1.50	Chrysler Corp.	2727	75½	78½	73½	78½
6	5			Circle B. Knit A	75	5¼	5¼	5¼	5¼
4.00	3.60			Claude Neon A	12	3.70	3.60	3.60	3.60
18¼	15			Cochrane-D	600	16½	16¾	16½	16½
8	7¼			Cockshutt Farm	2045	7¼	8	7¼	7¾
18½	15	.80	+.20	Coghlin, B. J.	862	16	16	15½	16
12½	12½	1.50	+.50	Coll. Terminal	100	12½	12½	12½	12½
10½	10			Comb. Enter. n	1772	10½	10¼	10	10
11	8½	1.50		Conduits Nat.	350	10½	11	10¾	10¾
225	143	1.50	0.8	Conf. Life	25	199	190	190	190
8	7	1.50		Cons. Bakeries	913	12	11¾	11¼	11¾
1.00	.75			Cons. Div. Se. A	33	.77	.80	.77	.80
28½	25	1.50	5.3	Do. pref.	4	28	28¼	28	28¼
40½	34½	+.25	.25	Cons. Paper n.	14939	38½	40¼	38½	39
4.05	2.00			Cons. Press A	70	2.65	2.75	2.75	2.75
37½	29	.80	+.75	Cons. Smelters	19796	37¼	37½	37	37½
7¾	7			Cons. Textiles	800	7	7	7	7¼
23½	20	.50	3.6	Consumers' Gas	7216	22	22	22	22½
30	26½	1.50	5.4	Consum. Glass	660	23	28	27¼	27½
18½	16	1.50		Corbys A	5775	18½	18½	18	18½
17½	16	1.50		Do. (B)	1245	17	17	16	17
7¼	6¾	1.70	5.8	Cosmos Imp.	200	12	12	12	12
5	4½			Craig Bit	1500	4.30	4.75	4.30	4.75
38	34			Cres. Cream, pf.	1	38	35	35	35
33½	17½	.60	3.0	Crown Trust	107	20	20½	19½	19½
73½	54	2.40		Crown Zeller	1260	73½	78¼	75	76¼
139	103½	4.00	3.1	Crow's N. Coal	75	127	139	128	129
11	8			Davis Leather A	210	10½	11	10	11
40½	30	1.20	+.50	Distil-Seagram	13447	38½	38¾	38	38½
22½	16½	.40	+.30	Dom. Bridge	21895	19	22½	19½	20½
10¾	7½			Dom. Coal, pf.	261	8	8	7¾	7¾
13	11½	.80	6.2	Dom. Corset	195	12¾	13	12½	13
6½	6			Dom. Dairies	100	6	6¼	6¼	6¼
17½	16			Do. pref.	30	16	17	17	17
29	23½	.60	1.4	Dom. Engineer	3095	25½	29	25	28
23½	17½	.60	2.6	Dom. Foundry	10029	22½	23½	22¼	23½
105	102	4.50	4.3	Do. 4½% pref.	85	103½	105	104	104
41½	33½	1.62½	4.6	Dom. Glass	710	35	36	35	36
15½	13	+.50		Dom. Magnes.	8715	17¼	17½	17¼	17½
38	33	1.50	+.40	Dom. Oilcloth	625	35	36	34	34½
88	80	4.00	+1.00	Dom. Square	100	85	88	85	88
18½	15	1.00	5.9	Dom. St. & C.	16745	17½	18½	17	17
28½	25½	1.80	2.2	Dom. Stores	2063	26	26	25	26
13½	9¼	.40	3.0	Dom. Tar & Ch.	19835	13¼	13¼	12½	13¼
24	21½	1.00	4.3	Do. pref.	192	24	24	23½	23½
8½	7			Dom. Textile	13390	7¼	7½	7	7½
144½	140½	7.00	4.9	Do. pref.	13	141	142	142	142
2½	2			Dom. Woollens	200	2½	2½	2½	2½
47	30			Donnell & Mu.	701	40	41	41	41
35½	25½	1.20	+.20	Donohue Bros.	2025	33	35½	33	34½
28½	25			Dow Brew.	1080	26½	28½	27	28½
30	24½	1.30		Du Pont of Can.	6265	25	26	25½	25½
2½	2			East Koot. Pr.	200	3½	3½	3½	3½
5	3½			East Steel	63	4.50	4.90	4.50	4.50
13	8	.20	+.30	Easy Washing	100	13	13	13	13
36	29	1.00	+1.00	Economic Inv.	30	34	35	33	35
61½	33	1.00	1.7	Eddy Paper	2332	57½	60	57	57½
114	110			Electra Invest.	100	111	114	114	114
16½	11¾	1.00		Electrolux	200	15½	15½	15¼	15¼
7	5	.30		Empire Life	250	42	41	36½	41
7	6	.40	6.7	Enam. & Heat.	300	6	6	6	6
44	32	1.65	+.10	Equitable Life	25	41	41	41	41
23¾	21½	1.04	4.6	Estabrooks, pf.	100	22	22½	22½	22½
29½	24½	1.50	+.10	Fam. Players	10285	24¾	25¼	24¼	25½
29	25	+1.50		Fanny Farmer	495	29	28¾	27	27½
42	26	11.00		Federal Grain	190	37½	37¾	36	37½
31	29	1.40	4.7	Do. pref.	1025	30½	31	30	30
6	5			Fibre Products p	200	6	6	5½	6
10	9	.60	6.2	Fittings A	200	9½	9¾	9¾	9¾
2.05	1.75			Fleet Mfg.	18280	2.40	2.45	2.25	2.30
127	100	12.50	+1.25	Ford Motor A	2909	119	127	116	121
60	44	11.50		For. Pr. Secs.	6	47	50	44	44
242	174	1.57½	+.10	Foundation Co.	6420	231½	242	232	241
24½	25	1.00	+2.20	Fraser Cos.	8103	33	33¾	32½	33¼
97½	93	4.50	4.6	Freiman, pref.	5	97	97	97	97
32¼	26½	1.20	3.9	Gatineau Pwr.	5220	30½	31	30½	31
113¼	110	5.00	4.5	Do. pref. 5%	175	112½	112	111¼	112
9	7½	.20	2.3	Gen. Bakeries	1050	8½	9	8¼	8½
125¼	48	12.65	+stk	Gen. Dynamics	3641	58½	61½	55	60½
100	89	1.40		Gen. Motors	1888	96	100	97	98¾
45	40½	tstk		Gen. Products A	15	44	43	43	43
11	9	1.20		Gen. St. Wares	1800	9¾	10	9¼	9¾
105¼	101	5.00	4.9	Do. pref.	215	102	102½	101	102
175	130	4.00	+2.00	Goodyear Tires	150	150	150	150	150
53½	52½	2.00	3.8	Do. pref.	385	53¼	53½	53	53
7½	6¼	.30	7.3	Gord. MacKay A	240	6¼	6¼	6¼	6¼
6½	6½	1.25		Do. (B)	100	6¼	7	7	7
46½	29	1.60	3.7	Gt. Lakes Paper	30404	39¼	46¼	38½	43¾
7¼	5½			Gt. North Gas.	1104	7	6¾	6½	6¾
48	45½	2.50	5.4	Do. pref.	10	45½	46¼	46¼	46¼
4.00	2.40			Do. Warr.	4835	3.75	3.80	3.75	3.75
9	7	.50	6.7	Gt. West Coal A	330	7	8	7	7
7	5½	1.22½		Do. (B)	550	6	6¼	6	6¼
207	190	2.00	+1.50	Gt. West-Life	10	295	288	288	288
4.50	4.15	2.20	+.05	Greening Wire	190	4.15	4.50	4.25	4.50
19	16	.60	3.2	Guaranty Trust	35	18½	18½	18½	18½
70	62	2.40	+.0	Gulf Oil	10	70	72¾	72¾	73
4.30	2.60			Gurney Prod. c.	51	4	4	4	4
28	25	1.60	6.1	Do. pref.	50	26½	26½	26½	26½
61½	52½	11.20		Gypsum, Lime	2200	60	61½	60	61
9	8	1.45		Harding Carpet	310	8¼	8¼	8	8
11	9½	.50	4.8	Hartz, J. F. A.	200	11	11	11	11
35	32½	1.50		Hayes Steel	50	33½	34½	34½	34½
5	4½			Hees, Geo. H.	60	4¼	4½	4	4½
60	53½	1.90		Hinde & Dauch	570	56	57½	56	57½
10½	10	.50	5.0	Horner, F. W. A.	116	10¾	10¾	10	10
41½	30	1.00	+1.20	H. Smith Paper	7077	40½	41½	40½	40½
53	50½	2.00	3.8	Do. pref.	895	53	53	52	53
32¼	28	1.75		Imasco	1246	28¾	29½	28¼	29½
23	17	.60	2.7	Imp. Oil	12253	22	23	21	22
82	3			Imperial Life	2	15	15	15	15
98	93	5.00	5.3	Do. pref.	1	95	95	95	95
29	18			Imp. Tobacco	3885	25½	29	28	28½
7½	6	1.06		Imperial Oil	2000	6¼	6½	6	6¼
23	17	.60	2.7	Imperial Tobacco	6110	21	22	21	22
82	3			Do. (B)	5020	7½	8¼	7½	8¼
34½	28	1.75		Inco. Ltd.	26282	34¼	34¼	33¼	34
23¼	17¼			Indep. Exploration	3615	24½	25	23¾	23¾
1.00	.75			Indust. Acceptance	1500	.99	.99	.98	.98
13½	11½			Inglis, John	25	13¼	13¼	13¼	13½
10	6			Inland Cem.	100	6	6	6	6
13	8½	.40	4.7	Inland Cem. pf.	2440	13	13	12½	13
3.90	2.50			Inland Nat. Gas	6123	3.45	3.50	3.40	3.45
54	5	.24	4.7	Interior Brew. B	25	5.50	5.15	5.15	5.15
7	3½	.15		Inter. Bronze	175	5½	6¼	5½	6½
19	18	1.50	7.9	Do. pref.	100	18½	19	19	19
27¼	22¼	1.60	+.40	Int. Metal Ind. A	995	35½	39½	34½	36½
103½	102	4.50	4.4	Do. pref.	70	103½	103½	103½	103½
69¼	55	2.11.10	+.90	Inter. Nickel	19527	66	68	66¼	68
13½	13¼	.75		Do. pref.	195	13½	13½	13¼	13½
111	80	3.00	+.50	Int. Paper	2.95	106½	111	106	111
23¼	24	1.55		Int. Pete.	6865	25¼	26½	25¾	26½
150	124	2.40	1.6	Int. Power	1247	147	147	145	147
44½	33½	1.80		Int. Util.	3440	43	43	41¾	41¾
42½	23½	1.40		Do. pref.	30	41	42½	42½	42½
17¼	12	.80	+.25	Interp. Bld. Cr.	940	17	16½	16½	16½
30½	23½	.30		Interp. Pipe	19139	29½	30½	29½	29½
13½	9	1.40		Interp. Util.	195	11½	12	10	10
57	54	3.00	5.3	Inv. Foundat. pf.	25	57	57	57	57
106	104	7.00	6.8	Jam. Pub. Ser. p.	10	105	106	106	106
18	16	.80	+1.20	Journal Pub.	100	17	18	18	18
23	16½	1.62½		Kelvinator	530	16½	17	16½	16½
23	21½	1.00	4.0	Labatt, John	3434	22½	25	22½	25
14	12	.60	5.2	Lambert, Alf. A	3	11½	11½	11½	11½
13	11½	•		Lang, John A.	2135	13	13	13	13
20	17½	.80	+.10	Laura Secord	313	20	20	19½	19½
13½	11½	.60	5.0	Laur. Accept. A	1050	12½	12½	12	12
24	23	+2.00		Legare, pref.	30	27	28	23	28
30	23			Lindsay, C. W.	10	30	30	30	30
16	14	1.25	7.8	Vir. Dare 5½ pf.	1260	44½	44½	44	44
14	12	1.42½		Wabasso Cot.	775	12½	12½	12	12½
25	20	1.00	5.0	M. L. Gardens	44	21½	22½	22	22½
10	9	.50	5.0	Maple Leaf M.	2000	10	9¾	9¾	9¾
104	100	5.00	4.9	Do. pref.	5	102½	102½	102½	102½
10½	9	.60	5.9	Massey-Harris	22220	10½	10½	10	10½
112	100½	4.50	4.1	Do. pref.	1815	109½	110	108½	108½
6	3	1.10½		Maxwell Ltd.	410	5½	6	5½	6
39½	33	1.60		McColl Fron.	3442	38½	39½	39	39½
43	38	1.50	3.9	Do. pref.	16315	102½	102½	102½	102½
1.50	.93			Mercury Chip.	23	1.00	1.00	1.00	1.00
175	131	1.00		Mersey Paper	21	165	170	165	170
14½	9½	1.25	•	Mexican Lt. Com.	457	13¼	14½	13¾	14½
12	9½	.50		Do. pref.	204	11	11	11	11
9½	8¼			Mexican Tram	30	9¼	9¼	9¼	9¼
1.50	1.08			Mid-West Ind.	19605	3.35	3.50	3.20	3.50
4.85	3.00	1.10		Milton Brick	3110	4.30	4.85	4.35	4.80
68¼	48½	1.20		Minn. & Ont. P.	9330	65¼	68½	65	67½
19	17½			Mitchell, Robt. A	1550	18½	18¾	18½	18½
3½	2½			Do. (B)	1250	3¼	3¼	3¼	3¼
16	14½	1.00	5.9	Mod. Contain.	25	15½	16	15½	16
17½	16	1.00	5.6	Do. (A)	25	17½	18	18	18
25½	23	.80	+.20	Molson Brew A.	25840	25¼	25¼	24½	25¼
25½	22½	.80	+.20	Do. (B)	1280	25¼	25¼	25	25
6.75	4.95			Monarch Knit.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 11	Pulp and paper 9	Mill-ing 2	Textiles and cloth-ing 5	Oils 10	Food and allied prod. 14	Bever-ages 10	Bldg mater. 15	Power and trac-tion 9	Banks 7	Total utili-ties 14	Total 99
*1935 to date:												
High	639.7	1021.1	184.9	178.6	416.5	173.9	586.1	432.0	173.8	243.8	198.1	229.7
Low	69.7	51.6	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	62.5	61.1
1955												
Monthly Figures:												
Jan.	534.2	840.5	157.9	161.0	379.6	154.7	511.0	395.9	165.6	230.8	181.0	207.3
Feb.	592.7	873.6	171.0	162.0	378.2	157.6	518.7	407.4	167.7	241.1	184.0	214.7
Mar.	616.4	894.5	162.1	158.5	373.0	159.9	511.8	404.6	119.8	226.5	185.2	213.7
Apr.	641.3	911.0	172.7	157.5	389.4	169.8	507.8	408.6	173.6	233.0	185.6	216.5
Weekly Figures:												
May 5	657.5	988.9	184.5	155.0	167.9	169.3	514.7	419.4	173.4	230.5	190.7	219.3
May 12	638.1	990.3	183.7	152.6	167.7	169.6	546.0	419.6	172.7	237.1	189.0	219.3
May 19	654.6	987.5	176.1	153.8	172.8	171.2	579.9	427.4	172.5	235.4	192.0	223.1
May 26	653.5	998.7	178.1	154.4	170.7	172.9	586.1	428.4	173.1	234.6	193.2	226.7
Jun. 2	639.7	1021.1	177.5	156.5	168.7	171.6	576.7	432.0	174.5	237.5	198.1	229.7

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	15 B.M.	15 W.O.
June 13	416.19	85.11	180.83	110.70
June 10	408.29	83.54	179.94	109.64
June 9	408.69	82.31	180.13	109.61
June 8	408.67	85.70	180.81	109.43
June 7	408.21	85.36	180.17	109.92
Month Ago	393.10	83.02	178.13	103.79
Year Ago	341.35	73.45	148.82	95.05
1955 High	416.58	85.88	191.23	110.70
1955 Low	374.18	79.03	157.31	98.58

Montreal Stock Exchange Index

	10 Util	20 Indus	30 Comb	10 Prprs	15 Golds
June 13	133.5	285.8	235.0	1450.23	82.94
June 10	132.7	285.4	234.5	1438.12	82.81
June 9	131.6	286.9	235.1	1448.77	83.86
June 8	129.7	284.8	233.1	1432.60	82.70
June 7	129.3	281.9	231.1	1421.65	82.43
Mon. Ago	126.2	265.7	219.2	1325.19	80.29
Year Ago	107.5	203.5	171.5	909.48	57.12
1955 High	133.5	286.9	235.1	1450.23	83.86
1955 Low	117.7	243.2	201.5	1139.92	67.43

Dow-Jones Closing Stock Averages

	30 Indus.	20 Rails	15 Util.	65 Stocks
June 13	440.17	161.85	63.98	162.73
June 10	437.72	160.58	64.21	161.97
June 9	433.07	159.00	64.00	160.89
June 8	436.95	161.15	64.42	162.08
June 7	434.55	161.42	64.39	161.67

	30 Indus.	20 Rails	15 Util.	65 Stocks
Month Ago	415.01	157.01	63.58	158.51
Year Ago	322.65	108.61	57.48	120.65
1955 High	440.17	161.85	65.52	162.75
1955 Low	388.20	137.84	61.76	144.39

Government Bonds

June 14, 1955

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Govt. of Canada Bonds:			
2	Jan. 1959	100½	100¾
3	June 1960	101¼	101½
3	Feb. 1962	102	102¼
3	Oct. 1963	102	102¼
2	Sept. 1966	102	102¾
3½	June 1966	101¾	102
3	Perpetual	95¾	96¼
2½	June 1968	99¼	99½
3½	Jan. 1975-78	107½	108¼
3½	June 1974/76	101¼	102¼
Cdn. Nat. Railways:			
3	Jan. 1959	100¼	100¾
4½	Feb. 1956	*101¼	101¾
4½	June 1955	*100	100¼
2½	Jan. 1967	98¼	99¼
3	June 1966	101	101¾
2½	Sept. 1969	98¼	99¼
4½	July 1957	*105¼	105¾
Govt. of C. Guaranteed Bds.:			
Grand Trunk Pacific Rly.:			
3	Jan. 1962	*102¼	103¼
4	Jan. 1962	*108¼	108¾

*Payable Can., N.Y. or f.

•Payable Can. or N.Y. †Callable on or after Sept. 15, 1966.

%	Due	Bid	Ask
Prov. Govt. Bonds			
Alberta:			
2½	Mar. 1970	97¼	99¼
British Columbia:			
4½	Jan. 1969	*112	114
3	Dec. 1960	99¼	100¼
3	June 1964	99¼	99¾
5	Sept 1959	*109	111
B. C. Power Comm.:			
3	Oct. 1967	98	99
Manitoba:			
4	Dec. 1957	*103	105
5	Dec. 1959	*109	111
5¼	July 1958	105¼	107¼
3	Oct. 1965	99	100¼
4½	Dec. 1956	*103	105
New Brunswick:			
4½	Apr. 1961	*107	109
2½	June 1966	94	95
3½	May 1957	100	101
3½	Sept. 1965	100¼	101¼
Nova Scotia:			
4½	Nov. 1960	*107	109
5	Mar. 1960	*109	111
3½	June 1963/65	100¼	101¼
3	June 1956/58	99¾	100¾
2½	June 1965/68	94¼	95¼

%	Due	Bid	Ask
Ontario:			
2½	Nov. 1965/69	95¼	96¼
4	June 1962	*107	109
4½	Jan. 1962	*108¾	110¾
2½	July 1967/78	97	99
3	Nov. 1965/85	100	101
3½	May 1959	*108	110
Ont. Hydro Commission:			
4	Aug. 1957	*103	104¾
2½	Oct. 1965/68	93¾	95¼
3	Dec. 1963/65	100	100¾
3	Nov. 1967/69	98¼	99¼
Prince Edward Island:			
3	Oct. 1965	97¼	98¼
Quebec:			
4½	Aug. 1958	104	105
4½	Jan. 1963	108¼	109¼
3	Sept. 1962/64	99¾	100¾
Quebec Hydro Commission:			
3	Feb. 1969/73	96	97
3	Dec. 1958/60	100	101
3½	May 1971/74	93¼	99¼
Saskatchewan:			
4	Nov. 1955/60	100	100¾
5	Aug. 1958	104¼	106¼
4½	Mar. 1980	*105	109
5	Dec. 1959	*109	111
3	Mar. 1963	97¼	99
3½	Nov. 1960/62	98¼	100
3½	Oct. 1962/65	101	103
Newfoundland:			
4½	July 1964	105¾	106¾

Unlisted Stocks

(Compiled by Intercity Securities Corporation Limited, Toronto)

June 13, 1955

	Bid	Asked
Alexander Bldg., Corp.	5.00	8.00
Algoma C. & H.B. R. C. Do. pfd.	23.00 1.50	24.00
Allens Toronto Units	43.00	
Anglin Norcross pfd.	.50	5.00
Anglo Can. Telephone A	16.00	17.00
Ash Temple com.	2.50	3.00
Atlantic Accept. com.	4.00	
Bowater Paper	16.50	17.00
Bowes Ltd. 1½ pfd.	.70	.85
Brinton Peterboro Carpet	45.00	50.00
British American Assce.	111.00	115.00
B. C. Sugar	103.00	
Brit. Mtge & Trust	210.00	220.00
Brockville Trust & Sav.	64.00	
Can. Cr. Stone 6% pfd.	98.50	
Can. Cons. Grain com.	5.00	8.00
Can. Cons. Grain Units	85.00	
Can. Delhi Pete	8.00	9.00
Can. Foreign Invest.	27.00	
Can. Foreign Securities	10.75	12.25
Capital Wire Cloth com.	14.50	
Carlton Club	125.00	140.00
Cawthra Apts	35.50	38.00
Chase, Dr. A. W., com.	2.00	
Colonial Steamship com.	183.00	210.00
Commercial Finance	33.50	45.00
Commercial Life 10% pd.	14.50	
Concourse Bldg. V.T.	45.00	
Crown Life Insce., new	157.00	162.00
Deben. & Sec. 6% pfd.	90.00	93.50
Detroit Internat. Bridge	20.50	21.75
Dom. Can. Gen. Insce.	625.00	700.00
Dominion Life	725.00	
Dom. Linseed Oil pfd.	3.00	
Dom. Mfg. Common	1.25	
Dom. Mfg., Pfd.	90.00	
Dover Industries	10.25	10.75
Essex Packers com.	2.25	
Do. pfd	35.00	
Gelt Brass	38.50	
Goderich Ele. & Transit	21.25	22.75
Granite Club	14.50	15.00
Gt. Brit. & Can. Inv. com.	7.75	8.50
Do. pfd.	115.00	120.00
Gt. Lakes Power com.	19.50	
Great West Life Assce.	288.00	292.00
Guar. N. Amer. fully pd.	430.00	445.00
Do. 20% pd.	88.00	
Halifax Insurance	13.00	16.50
Heaps Waterous	2.25	2.75
Highland Dairy pfd.	40.00	
Homewood Sanitarium	90.00	94.00

	Bid	Asked
Hudson's Bay Co.	23.50	24.00
Humber Amusement Pier	.50	.70
Humberstone Shoe	9.50	11.25
Indust. Mtge. & Tr.	69.00	
Ingersoll Machine Tool B	4.50	5.00
Ingram & Bell pfd.	104.60	
International Holdings	19.00	
Isotope Products	6.00	6.50
Jenkins Bros., com.	36.50	
Lambton Golf Club	250.00	300.00
Lambton Loan, Sarnia	81.00	85.00
Lawson & Jones 4% pfd.	.75	
Lond. Can. Inv. $3.00 pfd.	48.00	
Do. A	38.50	
London Life Insce.	125.00	
Manufact. Life Insce.	235.00	240.00
Medical Arts Bldg., Tor.	44.50	
Monarch Life 40% pd.	200.00	235.00
Mont.-City Dist. Bk.	52.50	
Morrow Scr. & Nut com.	36.00	42.00
Nat. Sewerpipe new pfd.	12.75	
Niagara L. Arch Bridge	66.00	
Northern Telephone	3.05	3.30
Oakville Golf Club	20.00	30.00
Oakville Wood 6% pfd.	89.00	94.00
Para, Oshawa Theatres	12.50	
Park Lawn Cemetery	1.30	1.50
Prairie Royal Trust Units	2.25	
Prudential Trust	16.00	
Rapid Grip Batten pfd.	101.75	103.50
Reliance Pete A & B Do. pfd	21.50 42.00	
Ritchie Cut Stone pfd.	13.25	
R. Jones Whitman pfd.	20.50	
Royal Oak Dairy B	2.50	
Sawyer Massey com.	3.25	4.50
Sincennes McNaugh. Line	3.25	
Skyway Drive-In Theat.	1.25	1.75
Sovereign Life 25% pd.	4.50	
Standard Fuel Com.	2.75	
Do. pfd. Div. $2.25	36.00	38.00
Summit Golf	18.00	24.00
Teleflex Ltd.	13.50	18.00
Toronto Brick old com.	50.00	53.00
Do. new com.	16.65	17.65
Toronto & London Inv.	2.10	2.35
Sun Life Assce.	292.00	298.00
United Cdn. Shares	19.00	
Universal Cooler pfd.	94.00	
Waterloo Mfg.	8.25	9.00
Waterloo Trust	27.50	
Western Assurance com.	142.00	160.00
Wood Alexander 6% pfd.	90.00	

Stock Redemptions

Company:	Rate	Date	Price
•Argus Corp. Ltd., 1st. cum. conv. pfd., ($100 par)	4½%	Jun. 13	†$105.00
▪Brown Co., cum. conv. 1st pf. (no par)	$5	Jun. 18	†$100.00
•Moore Corp. Ltd. red. cum. s.f. pf. ($25 par)	4%	Sep. 30	$26.50
•Winnipeg Elec. Co. Ltd., non cum. pfd. ($100 par)	5%	Jun. 30	$105.00
‡Shirriff's Ltd., com. red. s.f. pfd. ($20 par)	5%	Jun. 30	†$20.75

*All outstanding. †Plus accrued divd. ‡1,000 shs. ▪140,293 shs.

Oil Stocks (Continued)

.28	.13½	...	Calnorth	3,100	.19½	.20	.20	.20	.25	.14	...	N. Davies	500	.17½	.19	.19	.19
6.50	4.90	...	Calvan	5,222	5.50	5.60	5.45	5.50	.09½	.04½	...	N. Pacalta	1,500	.06	.06½	.06½	.06½
4.75	2.75	...	C. Oil Lands	2,350	2.75	3.15	2.90	3.00	.10	.06	...	New Ranch	74,400	.09	.10	.08	.09
.60	.40	...	Canadian Ad.	5,332	.43	.45	.40	.45	.42	.22	...	N. Richfield	4,500	.30	.30	.26½	.28
.34	.13½	...	Can. Anafe	1,500	.18	.18	.18	.18	.13	.07	...	N. Springer	1,850	.10	.10	.10½	.09
7.30	5.65	...	Cdn. Atlantic	6,875	6.00	6.35	5.95	6.60	3.20	2.30	...	N. Superior	6,073	2.60	2.64	2.45	2.50
1.75	.68	...	Cdn. Br. E.	55,002	.70	.85	.71½	.77	5.95	4.30	...	North Can.	450	4.85	4.80	4.70	4.70
.89	.60	...	Cdn. Dec.	7,549	.63	.63	.60	.60	.04	.02	...	N. Cont.	1,000	.04	.02½	.02½	.02½
.29	.17	...	Do. warr.	1,000	.18½	.21	.21	.21	.31½	.22	...	Northland	3,000	.25	.26	.24	.24
2.15	1.75	...	Cdn. Dev.	62,885	1.90	2.10	1.90	2.00	.98	.58	...	Nucco	3,125	.60	.60	.58	.60
.20	.10	...	Cdn. Enjay	2,300	.10½	.12	.09½	.12	.11	.04½	...	Oil Select	17,100	.07	.07½	.06½	.07
3.00	1.95	...	Cdn. H'stead	2,833	2.05	2.65	1.95	1.95	1.59	1.30	...	Okalta	6,850	1.45	1.50	1.40	1.46
.84	.48	...	Cdn. O&G	326,350	.55	.73	.54	.72	12.50	10.25	...	Pac. Pete	14,518	11.50	12.12½	11.25	12.00
2.55	1.42	...	Cdn. PL&P	54,834	2.22	2.30	2.15	2.30	.38	.23½	...	Pan West	11,200	.23½	.26	.27	.27½
5.25	3.75	...	Cdn. Wil'ston	100	3.70	3.80	3.80	3.80	4.10	3.15	1.15	Parker Drill	600	3.40	3.35	3.35	3.35
1.85	1.20	...	Canso Gas	2,176	1.25	1.35	1.20	1.35	.89	.47	...	Pathfinder	24,619	.61	.60	.55	.55
3.30	2.05	...	Canso Pet.	5,682	2.65	2.65	2.50	2.50	9.50	7.25	...	Peace River	4,205	8.40	8.50	8.10	8.40
3.20	2.90	...	Canso Prod.	1,166	2.95	3.00	2.90	2.90	3.40	1.63	...	Peruvian	16,150	3.15	3.10	2.90	2.95
1.40	1.00	...	Canso Warr.	2,000	1.05	1.05	1.00	1.00	.60	.40	...	Petrol O.	29,800	.42½	.43	.42	.42
.35	.27	...	Carleton	4,000	.31	.31	.30	.31	1.65	.90	...	Phillips Oil	1,710	1.05	1.03	.90	1.03
.33	.20	...	Castel O&G	200	.20	.18	.18	.18	.10	.08	...	Ponder	23,300	.92	1.00	.92	1.00
7.50	4.50	...	Cent. Expl.	300	5.60	5.45	5.00	5.00	1.20	.40	...	Pontiac	6,950	.60	.55	.50	.53
2.50	1.35	...	Cent-Leduc	98,400	2.05	2.50	2.00	2.25	.32	.22	...	Pooler	2,200	.30	.32	.30	.32
.75	.31½	...	Century	18,750	.52	.51½	.50	.51½	3.50	2.05	...	Prairie	1,000	2.95	3.05	2.95	2.95
.60	.23	...	Chamberlain	5,620	.28	.28	.26	.28	.16	.09	...	Que. Oil D.	4,500	.12	.12	.12	.12
2.05	1.57	...	Charter	9,600	1.69	1.65	1.58	1.58	.40	.22	...	Quinalta	2,50	.40	†.30	†.30	†.30
1.42	.45	...	Claybar	6,700	.60	.60	.50	.55	.07	.02½	...	Realty	89,000	.07	.07	.06½	.07
.75	.75	...	Coastal	1,300	†.70	.75	.75	.75	.14	.07½	...	Reef Pet.	6,000	.16½	.11	.10	.11
.76	.75	...	Command	7	†.65	†.65	†.65	†.65	.65	.40	...	Rio Prado	19,917	.49	.52	.45	.46
4.15	3.25	1.35	Common P.	400	4.15	4.10	4.10	4.10	.16	.09	...	Roxana	13,230	.11	.11½	.10½	.11
.25	.14½	...	Con. Allen	18,620	.16½	.18	.16	.16	.11	.07	...	Royal Can.	8,500	.08½	.09	.08	.09
.36	.20	...	Cons. Curd.	5,100	.23	.25	.20	.20	13.75	10.62½	.25	Royalite	1,695	11.25	12.00	11.25	11.37½
.75	.35	...	Con. Dragon	10,329	.38	.43	.35	.39	30.50	29.00	1.31½	Do. 5½ pf.	553	30.00	30.50	30.00	30.50
.81	.40	...	Con. East C.	16,031	.62	.65	.58	.62	.19½	.10	...	Sage	13,300	.14½	.14½	.11	.11
.08	.03	...	Con. Gv. C.	2,000	.04½	.04½	.04½	.04½	4.95	3.80	...	Sapphire	11,675	4.20	4.35	4.15	4.15
3.00	2.00	...	Con. Mic M.	25,700	2.90	2.95	2.82	2.53	2.98	.05	...	Scurry-Rain.	11,100	1.83	1.87	1.70	1.81
.19	.12	...	Cons. Peak	15,100	.13	.15	.13	.13	2.55	1.80	...	Security	14,130	2.47	2.50	2.35	2.35
4.05	2.05	...	Con. W. Pet.	20,696	3.20	4.05	3.40	4.00	.32	.18	...	Select Oils	4,200	†.17	.18½	†.17	.18½
.20	.15	...	Dalhousie	1,210	.19	.17	†.14	.17	.06½	.04	...	Share Oils	13,020	.05½	.04	†.03	.04
1.75	1.05	...	Del Rio	134,500	1.56	1.75	1.56	1.65	.52	.30	...	Souris Val.	2,500	.45	.45	.43	.45
1.90	1.25	...	Dev. Leduc	13,900	1.30	1.50	1.30	1.50	.40	.30½	...	So. West P.	50	†.34	.36	.34	.36
5.90	5.10	...	Dome	2,700	5.50	5.50	5.35	5.30	1.00	.30	...	South Un.	11,020	.74	.79	.70	.79
.24	.10	...	Dom. Min.	112,900	.13	.15	.12½	.15	.62	.23	...	Sparmac	13,400	.38	.37	.34	.35
.55	.25	...	Dubar	1,700	.33	.35	.30	.35	.28	.13	...	Spooner	8,500	.20	.20	.18½	.20
.40	.14	...	Edoran	85,250	.25	.32	.32	.24½	.84	.55	...	Stanwell	7,594	.64	.62	.60	.62
.51	.27	...	Emp. Oil	6,500	.36½	.31	.31	.30	.18	.07½	...	Sturgeon	10,000	.11	.16	.12	.16
2.85	1.72	...	Fargo	19,880	2.32	2.35	2.20	2.22	.46	.30	...	Sunset	2,000	.54	.39	.37	.39
5.70	3.60	...	Federated P.	14,820	5.15	5.15	4.75	4.95	1.20	.75	...	Texas Cal.	4,166	.77	.77	.75	.76
.45	.19	...	Fortune	5,200	.38½	.38	.32½	.36	2.35	1.75	...	Trans. Emp.	2,961	1.92	1.95	1.80	1.90
.63	.02	...	Freehold	5,000	.03	.03	.03	.03	.48	.30	...	Trans-Era	23,300	.34	.36	.32	.35½
.48	.19	...	Futurity	8,650	.25	.27	.25	.27	.09	.03	...	Transfield	3,050	.06½	.06½	.06½	.06½
.90	.60	...	Gas Expl.	72,700	.79	.90	.77	.90	.44	.08½	...	Trend	76,650	.24½	.28	.23	.25
.33	.19	...	Gaspe	2,000	.23	.26	.24	.26	6.95	4.55	...	Triad	79,017	6.00	6.95	5.90	6.40
.16	.04	...	Gateway	12,400	.09	.11	.09	.11	.40	.23	...	Turner V.	200	†.24	†.24	†.24	†.24
6.50	5.10	.20	Gen. Pet.	100	6.00	6.10	6.10	6.10	1.60	1.05	...	Utd. Oils	77,885	1.49	1.50	1.38	1.40
6.45	3.25	.20	Do. A	1,275	5.80	5.85	5.60	5.70	.24	.17	...	Vanalta	4,000	.23	.24	.23	.24
.10½	.06	...	Golden Sp.	1,000	.06½	.07	.07	.07	.91	.37	...	Van Tor	86,750	.66	.91	.83	.91
23.50	16.50	...	Gt. Plains	1,295	20.25	21.25	20.05	21.00	.60	.29	...	Vulcan	600	.40	.45	.35	.45
4.00	2.00	...	Gt. Sw't. Gr.	214,955	2.45	3.30	2.45	3.25	.75	.67½	...	W'Burne	3,000	.72	.72	.72	.72
12.00	7.75	...	Grideil	1,900	10.50	10.50	9.90	9.70	.20	.11	...	W. Ashley	127,530	.19½	.19½	.18	.18
.05	.03½	...	Hargal	4,300	.04	.04	.04	.03½	6.75	4.85	...	W. L'Holds.	17,410	6.60	6.60	6.40	6.55
.38	.23	...	Henderson	5,000	.25	.25	.25	.25	1.90	1.53	...	W. Maygill	600	1.75	1.53	1.50	1.53
.30	.15	...	High Crt	18,500	.18½	.18	.16	.16	1.68	1.20	...	W. Naco	10,475	1.38	1.55	1.20	1.20
.15	.10	...	High Sarcee	2,000	.11	.11½	.11½	.11½	.45	.38	...	Do. warr.	6,063	.42	.45	.35	.35
10.00	5.00	*.25	Hi-Tower	250	5.50	6.00	5.00	5.75	.17	.10	...	W. Warner	1,000	.10½	.11	.11	.11
10.87½	7.50	...	Home	3,275	10.25	10.87½	9.75	9.75	.90	.41½	...	Wilrich	63,910	.62	.67	.61	.62
10.00	7.20	...	Husky	3,805	7.30	7.60	7.30	7.60	.34	.07	...	Yke Can.	249,458	.23	.28	.23	.25
.15	.07½	...	Hy-Charger	69,100	†.11½	.13	.08½	.10½	.60	.54	...	Yke Prin.	83,000	.70	.73	.66	.72
1.85	1.45	...	Jasper	7,850	1.70	1.70	1.55	1.58	•U. S.				♦Div. deferred.		††Initial.		*Paid in 1954.
2.95	1.77	...	Jupiter	34,740	2.50	2.95	2.50	2.80	†Payable in 1955 to date.						‡Less than board lot.		
.43	.25	...	Keno	7,600	.28½	.27	.27	.27									
1.52	1.10	...	Kroy	14,200	1.30	1.35	1.25	1.25									
.35½	.24½	...	Leduc Cal.	18,500	.25½	.26½	.24½	.25									
4.00	3.00	...	Liberal	20,575	3.15	3.35	3.10	3.25									
.15	.08	...	Long Is. P.	1,100	.09½	.10	.08½	.10									
.44	.30	...	Marigold	10,200	.32	.33	.29	.30									
.09	.03½	...	Mercury	3,010	.06	.07	.05½	.07									
.12½	.06	...	Merland	2,350	.08	.09	.08	.08									
9.75	7.85	...	Merrill Pet.	3,880	8.85	8.90	8.45	8.65									
.56	.39	...	Midcon	28,920	.50	.50	.40	.42									
.31	.20	...	Mill City	15,350	.25	.25½	.24	.24½									
2.10	1.50	...	Nat. Pet.	2,300	1.57	1.70	1.50	1.60									
1.53	1.05	...	N. British	153,490	1.28	1.35	1.20	1.30									
3.15	2.10	...	N. British	10,933	2.69	2.68	2.54	2.60									
.78	.59	...	N. Concord.	1,000	.55	.82	.52	.82									
.55	.30	...	N. Cont.	21,400	.41	.44	.35	4.1									

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 14, 1955

Public Utility Issues	Int. Rate %	Due	Bid.	Ask.	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	150	153	150
Bell Tele	3	'77	92½	93½	92½
Do.	4½	'67	106½	106¾	106½
Braz. Traction	4½	'70	82	83	82
Do.	4½	'71	82½	83½	82½
B. C. Electric	3½	'67	98½	99½	98½
Do.	3½	'75	96	99	96
Do.	3½	'69	100	103	100
Do.	4½	'79	104	107	104
B. C. Tele	4½	'75	104½	107½	104½
Gat. Power D	3½	'70	97	100	97
Gt. Lakes Pwr.	4½	'69	100½	103½	100½
Maclaren-Quebec Power	3	'89	96	99	96
Mex. Lt. & Pr.	5	'75	83½	88½	83½
Nat. Lt. & Pwr.	4½	'61	99	102	99
North. Que. Pr.	4½	'67	99	102	99
Power Corp.	3½	'67	97½	100½	97½
Quebec Power	3	'62	98	101	98
St. Maurice Pr.	3½	'70	96	99	96
Shaw. W. & Pr.	5	'71	96	99	98
Do.	3½	'73	98½	101½	98½
Wpg. Electric	5½	'71	98½	101½	98½
Industrial Issues:					
Abitibi Pr. & P.	3½	'67	99½	102½	99½
Acadia-Atlantic Sugar	4	'74	100	103	100
Alaska P. & C.	4½	'66	99½	102½	99½
Aluminum Co.	4½	'73	103	106	103
Barvue Mines	5s	'56	99½	102½	99½
Bathurst P. & P.	5½	'73	103½	106½	103½
Bowater's Nfld. P. & P.	3½	'68	102	106	103
B. C. For. Pr.	4½	'68	100	103	100
Burns & Co.	4	'63	101	104	101
Can. Bread	4½	'67	99	102	99
Can. Steamship	4	'66	99	102	99
Can. Brew.	4½	'79	104	107	104
Can. Canners	3½	'70	98	101	98

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 274

NOTICE is hereby given that a dividend at the rate of thirty cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending July 31, 1955, payable at the Bank and its branches on August 1, 1955, to shareholders of record at the close of business on June 30, 1955.

Subscribers to new shares are reminded that they will rank for this dividend only in the proportion that the amount paid upon such new shares at the record date of June 30, 1955, bears to the subscription price of $27.

By Order of the Board.
N. J. McKINNON,
General Manager.

Toronto, May 27, 1955.

MERSEY PAPER COMPANY LIMITED

DIVIDEND NO. 16
COMMON STOCK

NOTICE IS HEREBY GIVEN that a dividend of One Dollar ($1.00) per share has been declared on the outstanding Common Stock of the Company payable on the 4th day of July, 1955, to shareholders of record as at the close of business on the 11th day of June, 1955.

By Order of the Board,
J. A. PARKER,
Secretary.

Liverpool, N.S.
May 30th, 1955.

T. H. ESTABROOKS CO. LIMITED

Notice is hereby given that the quarterly dividend (26 cents per share) on the 4.16% Cumulative Redeemable Sinking Fund Preferred Shares (par value $25.00 per share) of the Company has been declared payable July 15, 1955, to shareholders of record at the close of business June 15, 1955.

By Order of the Board.
J. B. BRYDON, C.A.,
Secretary-Treasurer.

Saint John, N.B., 2nd June, 1955.

FOUNDATION COMPANIES CANADA

Engineering - Construction

DIVIDEND NOTICE

Notice is hereby given that a Dividend of twenty cents ($0.20) per share for the quarter ending June 30th, 1955, has been declared on the No Par Value Common Shares of the Foundation Company of Canada Limited, payable July 22nd, 1955, to Shareholders of record at the close of business on June 30th, 1955.

By Order of the Board.
J. R. MILLS,
Secretary.

Montreal, Quebec,
June 8, 1955.

McCOLL-FRONTENAC OIL COMPANY LIMITED

PREFERRED STOCK DIVIDEND NO. 36

NOTICE IS HEREBY GIVEN that a Dividend of $1.00 per share, being at the rate of 4 per cent per annum, has been declared on the 4% Cumulative Preferred Stock of McColl-Frontenac Oil Company Limited for the quarter ending June 30, 1955, payable July 20, 1955, to shareholders of record at the close of business on June 30, 1955.

By Order of the Board,
FRED HUNT, F.C.I.S.,
Secretary.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 7

NOTICE IS HEREBY GIVEN that a dividend of thirty cents (30¢) per share on the outstanding Common Shares of the Company has been declared payable 15th July, 1955 to shareholders of record as at the close of business on 21st June, 1955.

The transfer books of the Company will not be closed.

By Order of the Board.
G. G. WOODWARD,
Assistant Secretary.

Vancouver, B.C.
2nd June, 1955.

DOMINION GLASS COMPANY LIMITED

Notice is hereby given that a dividend of one and three-quarters percent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June 1955.

Notice is also hereby given that a dividend of Twenty Cents (20 Cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June 1955.

The above dividends will be paid on Friday, the 15th day of July 1955, to shareholders of record at the close of business Tuesday, the 28th day of June 1955.

By order of the Board.
F. N. DUNDAS,
Secretary.

Montreal, 25th May, 1955.

DOMINION CORSET COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of twenty cents (20c) per Share has been declared for the quarter ending June 30th, on the outstanding Common Stock of this Company, payable July 1st, 1955 to Shareholders of record June 17, 1955.

By Order of the Board,
MAURICE GODBOUT, C.A.,
Secretary-Treasurer.

CENTRAL NORTHERN AIRWAYS LTD.

DIVIDEND NO. 13

NOTICE IS HEREBY GIVEN that a semi-annual dividend of 25c per share has been declared on the outstanding Class "A" shares of the Company, payable on July 11th, 1955, to shareholders of record at the close of business June 30th, 1955.

By Order of the Board,
F. C. McKAY,
Secretary-Treasurer.

P.O. Box 5,
Winnipeg 12, Man.
June 10th, 1955.

SUN LIFE ASSURANCE COMPANY OF CANADA

Head Office: Montreal
DIVIDEND NOTICE

Notice is hereby given that a dividend of eighty-five cents (85 cents) per share on the Capital Stock of the Company has been declared for the quarter ending June 30th, 1955, and will be paid on July 1st, 1955, to shareholders of record at the close of business June 15th, 1955.

The Stock Transfer books of the Company will be closed from June 16th to June 30th, both dates inclusive, for the preparation of the above dividend.

By Order of the Board.
F. J. CUNNINGHAM,
Secretary.

Montreal,
June 8, 1955.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of Sixty-five Cents per share on the paid-up Capital Stock of the Corporation for the current quarter, and an extra dividend of Ten Cents per share have been declared, and that both Dividends will be payable Saturday, the Second day of July next, to Shareholders of record at the close of business on the Fifteenth day of June 1955.

By Order of the Board.
J. W. ROSE, Jr.,
Secretary.

Toronto, May 18th, 1955.

STELCO

THE STEEL COMPANY OF CANADA, LIMITED

DIVIDEND No. 176

Notice is hereby given that dividend No. 176 of thirty cents (30c) per share for the quarter ending June 30, 1955, has been declared upon the shares of the Company, payable Monday, August 1, 1955, to shareholders of record at the close of business Thursday, July 7, 1955.

By Order of the Board,
H. S. ALEXANDER,
Secretary.

Hamilton, Canada, June 13, 1955.

DIVIDENDS, MEETINGS, ETC.

DOMINION STEEL AND COAL CORPORATION, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a regular quarterly dividend of twenty-five cents (25c) per share on the outstanding Ordinary shares without nominal or par value of the capital stock of this Corporation has been declared for the quarterly period ending June 30, 1955. Such dividend to be payable on July 28, 1955, to shareholders of record at the close of business on July 7, 1955.

By order of the Board.
G. C. BROADBENT,
Secretary and Treasurer.

Montreal, P.Q.
June 3, 1955

THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA LIMITED

DIVIDEND NO. 100

NOTICE IS HEREBY GIVEN that a Dividend of Forty cents (40c) per share, and an extra distribution of Forty cents (40c) per share, on the paid up Capital Stock of the Company, have this day been declared for the six months ending the 30th day of June, 1955, payable on the 15th day of July, 1955, to shareholders of record at the close of business on the 17th day of June, 1955.

By Order of the Board.
L. O. REID,
Secretary.

Montreal, P.Q.,
June 9, 1955.

HUSKY OIL & REFINING LTD.

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of One and one-half percent, for the three months ending June 30th, 1955, (being at the rate of Six percent, per annum), has been declared on the 6% Cumulative Redeemable Preference Shares of the Company, and will be payable on and after July 1st, 1955, to the holders of such 6% Cumulative Redeemable Preference Shares of record at the close of business on June 15th, 1955.

By Order of the Board.

Calgary, Alberta,
June 10th, 1955.

DAVID COWPER-SMITH,
Assistant Secretary.

Market Comment

What stocks and bonds are doing and what prominent observers say

Stock markets pushed on to new highs this week as traders carried first one then another stock group forward. At midweek there was evidence that refining oils—largely bypassed in recent strong market action—were coming in for more attention. Gradually market interest continues to broaden out over a wider range of Canadian industrial stocks.

More than 200 purchasing executives in the U. S. National Association of Purchasing Agents have recently commented on business outlook in U. S. during last half of year. Some 33% expect better business than the first half, 42% expect it to be the same. More than half stated their companies increased production in May over April.

Leading uranium and base metal issues continued strong in Canada this week with Algom, International Nickel, Geco, Hudson's Bay all showing continued gains.

* * *

D. A. JEWITT; F. H. Deacon & Co. (Toronto)

Settlement of the General Motors and Ford wage negotiations in the automotive industry would appear to be the start of inflationary trends. When this is coupled to a forecast for the best year on record for business in the United States, and with probably increased earnings and dividends this year, the market for sound industrial stocks — particularly those with good growth possibilities — should remain firm over the balance of the year.

* * *

FRANK S. LESLIE; Frank S. Leslie & Co. (Toronto)

The many favorable factors now affecting the stock market are finally bringing in sufficient buying to put the market averages to new highs. Some bullish items are as follows:

The British election results.

The settlement of the Ford Motor labor strike threat.

An alltime high for business indexes.

Capacity steel operations running into 1956.

The prediction of Arthur B. Homer, president of Bethlehem Steel that steel-making capacity in the United States will increase 50% in the next 15 years.

The remarkable comeback of Western Europe with business at record highs.

Not the least bullish factor is the prospect of world peace being the best in the past 30 years.

Estimates are that 1955 net earnings will be 20% over 1954, or only 12 times present Dow Jones industrial averages. This ratio reached 19.45, 16.69 and 17.46 respectively in 1929, 1937, and 1946.

It seems likely that we will witness good markets at least until the next presidential election in November 1956. The markets may become more selective but good stocks like Hollinger and Gulf Oil, with unlimited growth ahead of them and fine inflation hedges, still look like purchases for much eventual higher prices.

* * *

A. H. BOLTON; Bolton, Tremblay & Co. (Montreal)

Some minor signs of future economic deterioration have become visible in our studies of the American economy. It therefore becomes important that the investor make a searching analysis of values to be sure that the large rise in prices since 1953 has not been overdiscounted. It is as well to go on the theory that since 1953 the normal sequence of events has been reverted to, whereby interest rates, stock prices, and business turn in that order.

So far the deterioration is extremely minor, nor is there any assurance that it will not be contraverted in due course. Stock prices as a whole remain fairly valued, although there appear to be individual cases of overvaluation. We would not view the level of stock prices generally as dangerous until most of the following sequences had been seen.

First the Dow Jones industrials around a 4% basis (currently 4.35%). Secondly, Barron's bond-stock ratio somewhere well over 60% (currently 45%). Thirdly, an indication over a six-months' further period of expanding credit demands, tightening money and substantial inventory accumulation.

In searching for values at this point in the cycle, we place a great deal of emphasis on the compound interest principle. Stated earnings may not tell the whole story. However, if stated earnings reasonably evaluated in terms of market price are backed by large unseen earning power of a cash variety, such as shown by large depreciation reserves, the possible errors of judgment inevitable in this period of rapidly rising equity prices can be reduced to manageable proportions.

In a growing economy, the only serious danger to the investor comes when he capitalizes his earning power at too high a rate. The lure of the "fast buck" too often obscures the real values available.

In summary, it is apparent to anyone that the rise in stock prices generally has outstripped the rise in earnings. To the extent that values were abnormally low and are still reasonable by most standards, the investor can still look forward with equanimity. He should not however, fool himself into believing that there are tremendous equity bargains still available.

DIVIDEND NOTICES

Québec — Téléphone

DIVIDEND NOTICE

A quarterly dividend of 25c per share on the 5% cumulative Sinking Fund Redeemable Preferred Shares has been declared, payable July 1st, 1955, to Shareholders of record at the close of business, on June 3rd, 1955.

By order of the Board.
P. E. GAGNON,
Secretary.

RIMOUSKI, Que.,
7th June, 1955.

MONARCH MORTGAGE AND INVESTMENTS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of One Dollar ($1.00) per share has been declared on the Common Shares of the Company, payable June 30th, 1955, to shareholders of record Wednesday, June 22nd, 1955.

By Order of the Board.
E. M. DUTHIE,
Secretary.

Toronto, June 7th, 1955.

LOWER ST. LAWRENCE POWER COMPANY

DIVIDEND NOTICE

A quarterly dividend of 25c per share on the 5% cumulative Sinking Fund Redeemable Preferred Shares has been declared, payable July 1st, 1955, to Shareholders of record at the close of business, on June 15th, 1955.

By order of the Board.
P. E. GAGNON,
Secretary.

RIMOUSKI, Que.,
June 7th, 1955.

New Highs and Lows

During the week ended June 10, 83 new highs and 12 new lows were recorded among the general stocks on the Canadian stock exchange. In the mining group there were 58 new highs and 20 new lows. In western oils there were 12 new highs and 16 new lows.

GENERAL

New Highs—1955

Abitibi, Acadia Atlantic, Do. A, Aluminium, Alum. of Can. pfd., Ang. Can. Pulp, Asbestos, Atlas Steel, Auto Fabric B, Beaver Lumber, Bell Telephone, Br. & Tank Warr., B.C. Packers B, B.C. Power, B.C. Tele., Brown Co., Do. 1st pfd., Cdn. Breweries, Cdn. Bronze, Cdn. Car & F'dry, Do. pfd. A, Cdn. Locomo., Cdn. Oil Warr., Cdn. Tire, Cdn. Wallpaper B, Cons. Div. Sec. pfd., Cons. Paper, Crown Zeller, Dom. Bridge, Dom. Dairies, Dom. Engineer, Dom. F'dry 4½% pfd., Dom. Square, Dom. St. & Coal, Dom. Tar, Donohue Bros., Dow Brew., Electra Invest., Ford Motor A, Gen. Bakeries, Gen. Motors, Gt. Lakes Pap., Gypsum Lime, Hartz, J. F. A, Howard Smith Pap., Hur. & Erie, Inter. Nickel, Do. pfd., Inter. Paper, Inter. Util. pfd., Journal Pub., Labatt, John, London Hose A, Maclaren Pr., Maxwell Ltd., McColl-Fron., Mexican Lt. com., Midwest Ind., Milton Brick, Minn. & Ont. Pap., H. Morgan, Nat. Grocers, Nat. Steel Car, Neon Prod., Niagara Wire, Ont. Jockey, Ont. Loan, Pembina, Do. pfd., Price Bros., Quebec Pwr., Reitmans, Shawinigan Pwr., Do. 4½% B pfd., Simon & Sons 5% pfd., South Can. Pwr., Steel of Can., Switson, Trans Mtn., Union Gas, Westeel, Weston, Geo., 4½% pfd., White Hard. pfd.

New Lows—1955

Acadia Atlan. 5% pfd., Belding Cort, Cdn. Cotton pfd., Cdn. Westinghouse, Cent. Nor. Air B, Enam. & Heat., Fam. Players, Horner, F. W. A, Moore Corp. 4% pfd., Saguenay Pr. pfd., Sherwin Wms. pfd., Wabasso Cot.

MINING

New Highs—1955

Aconic, Aumacho, Beatrice, Belcher, Bicroft, Black Bay, Blue Rock, Bouzan, Can-Met Explor., Castle Trethewey, Central Patricia, Chib. Explor, Cody-Reco, Cons. Bellekeno, Cons. Denison, Cons. Northland, Cons. Sannorm, Cons. Sudbury, Cons. Tungsten, Cosco, Fab, Frobisher 4% deb., Goldcrest, Hollinger, Hoyle, Hudson-Rand, Int. Nickel, Iso Uran., Jack Waite, Lake Osu, Little Long Lac, Lyndhurst, Matachewan, McIntyre, Mogul, Nama Creek, New Alger, New Athona, New Vinray, Noranda, Northern Can., Obaska, Opemiska, Panel, Pitt, Pronto, Que. Nickel, Rayrock, Regcourt, Rowan Cons., Ryanor, Steep Rock, Sylvanite, Tiara, United Asbestos, United Keno, Ventures, Violamac

New Lows—1955

Akaitcho, Broulan, Bulolo, Bunker Hill, Central Porc., Chib.-Kayrand, Cons. Fenimore, B Warr., Copper Cliff, Delnite, Harrison Min., Jellicoe, Lake Shore, Maralgo, Norlartic, North Inca, Sylvanite, Teck-Hughes, Trans. Resources, Valor, Van Roi

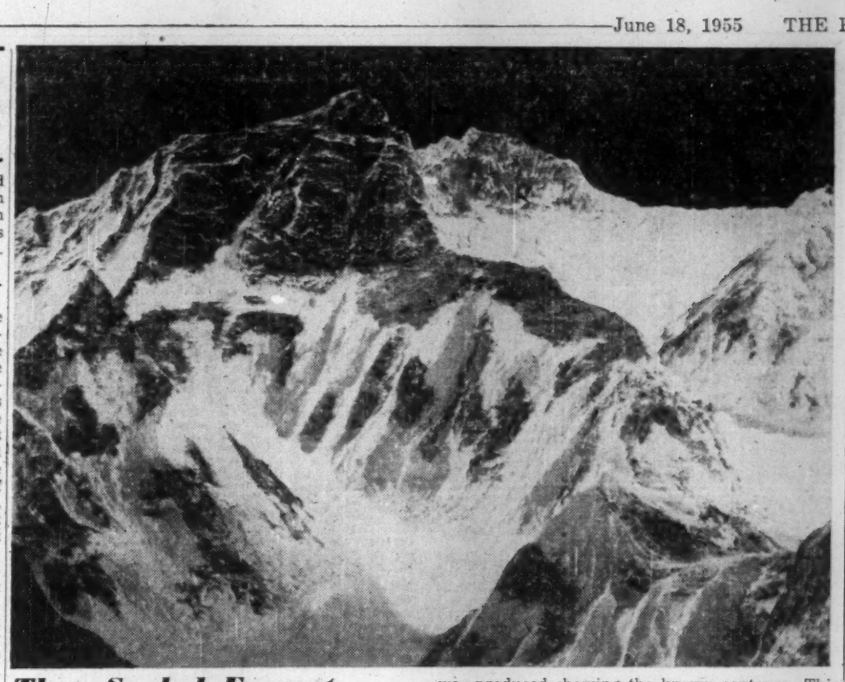
OILS

New Highs—1955

Bailey Selburn, Bonnyville, Cent. Leduc, Cons. W. Pet., Del Rio, Home, Jupiter, Poplar, Royalite pfd., Triad, Vanalta, Van Tor

New Lows—1955

Amurex, Britalta, Cdn. Homestead, Canso Gas, Canso Prod., Cons. West Pet., Hargal, Keno, Leduc Calmar, Nat. Pet., New Cont., Nucco, Phillips Oil, Share Oils, West. Naco, Do. Warr.



They Scaled Everest . . .

You can almost feel the icy wind blowing over Mount Everest's caps in this picture. Yet it is only a photo of wood, plaster and canvas.

Biggest eye catchers at the International Trade Fair — as in any display — were the elaborate working models of factories and machines.

There is something fascinating in a model well made. It can explain things, even to the expert, that a study of the real object cannot produce.

Both as a technical aid and as a means of advertising, models are becoming more and more popular with business and industrial executives.

A number of firms specialize in their production. An interested company contacts a maker and they discuss the requirements. Scale, material, and general presentations are all decided. Then work begins.

It is a lengthy job. This Mount Everest model, for instance, took 600 man hours to produce. Made in England it cost about $2,000.

The makers had to study every available photograph and chart of the mountain. Then a frame was produced showing the known contours. This system is known as the "egg-box" as the result is criss-crossing shaped bits of wood that have spaces between them that resemble egg containers.

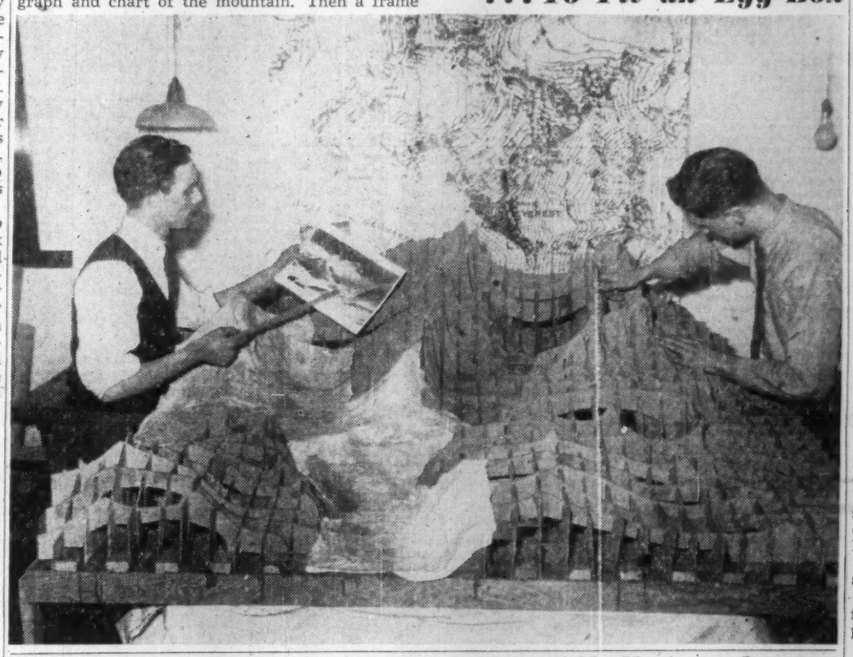
Over this frame was placed canvas and then an impregnated fabric that hardens into shape when dry. Finally the whole model was covered with plaster to produce the rocks and ice.

There is something fascinating in a model well made. It can explain things, even to the expert, that a study of the real object cannot produce.

The same detailed work must go into every model. Whole building estates and towns are produced to give planners the vital birds eye view that plans can never supply.

The model on this page was built by a 30-year-old Englishman just arrived in Canada. He is Bernard A. Creamer. The average man who enjoys building a model in his workshop may envy Creamer and his fellow workers. But the strain is considerable as the finished product must be absolutely perfect. Often decisions of tremendous importance are reached by planners using the models. No one can afford a mistake . . .

. . . To Fit an Egg-Box



East Gas Line Would Bring Search Spurt

Although there is still a possibility that obstacles might be cleared in time this year for a start on the Toronto to Montreal extension of the natural gas pipeline, there is no definite commitment on this, A. P. Craig, vice-president in charge of sales for Trans-Canada Pipe Lines Ltd. told the 48th annual convention of the Canadian Gas Association meeting in Niagara Falls.

Western natural gas producers will launch a great exploration and development program onee markets in the east are assured, Mr. Craig said.

Other speakers on a panel, "Natural Gas on the March," expressed optimism and looked forward to great expansion when the pipeline becomes a reality. W. F. Davey, Winnipeg & Central Gas Co., foresaw many new chemical and other industries springing up once natural gas begins to flow across Canada.

E. H. Rohrer, British Columbia Electric Co., said plans were developing for the introduction of natural gas to the Pacific area; B. F. Willson, Northwestern Utilities pointed out that expansion in Alberta has been distributed over the main gas market classifications; O. L. Jones, Consumers' Gas Co. of Toronto, declared that acceptance of natural gas was all-important, and frankness and provision of all the facts was one way to influence the public favorably.

The association elected P. W. Geldard, Consumers' Gas Co. of Toronto president of the association for 1955-56, succeeding S. B. Severson, Buffalo, Dominion Natural Gas Co. F. R. Palin, Union Gas Co. of Canada, became first vice-president, and H. L. Purdy, Vancouver, British Columbia Electric Co., second vice-president. W. A. Higgins was appointed secretary and treasurer.

The following were elected to the Board of Directors: T. E. Cross and C. Laverdure, both of the Gas Department Quebec Hydro-Electric Power Commission; J. A. Fleming, Union Gas Co. of Canada; G. F. Knight, Consumers' Gas Co. of Toronto; J. R. Reeves, Dominion Natural Gas Co.; W. F. Davey, Winnipeg and Central Gas So.; C. L. Metcalfe, Northwestern Utilities Ltd.; R. C. McPherson, Canadian Western Natural Gas Co.; N. E. Tanner, Trans-Canada Pipe Lines Ltd.; C. R. Hetherington, Pacific Petroleums Ltd.; E. H. Rohrer, British Columbia Electric Co.

Propose $42 Mill. Mtl. Traffic Plan

MONTREAL (Staff) — Modified proposals for $42 million in construction to improve traffic between Montreal and the south shore have been made by the recently formed St. Lawrence Municipal Bureau.

In its first report to the civic administration it proposes:

—Widening of the dike wall from Jacques Cartier bridge to a point near LaPrairie.

—Use of the deck of the dike as a four-lane offshore highway interconnecting with Jacques Cartier bridge via a low-level bridge to and from St. Helen's Island with a ramp roadway to and from Victoria Bridge and two tunnels passing under the seaway, one at St. Lambert and the other at LaPrairie.

—A low-level bridge from the Island of Montreal via Nun's Island across the St. Lawrence to a point inter-connecting with the proposed tunnel under the seaway near La Prairie.

The municipal bureau, which was established by the city executive committee, has selected several research studies opened up by the seaway and its related development.

Johns-Manville New Ont. Mill Is First For Firm, Province

Ontario gets its first insulating board plant, and Canadian Johns-Manville makes its first entry into forest products manufacture with a new North Bay factory.

Construction will start shortly for a mill to turn out an initial 75 million sq. ft. of insulating board a year. It will get into operation before the end of 1956.

Site is 1¼ miles northwest of North Bay. Canadian Johns-Manville has leased pulpwood rights on 577 acres of Crown land in the North Bay-Temagami area on a long-term basis. Wood will also be bought from "our plant neighbors," states Vice-president Earle C. Brockett.

Plant will cover about 150,000 sq. ft. floor space. It will employ more than 300 persons at the start.

Johns-Manville now sells insulating board made from pulpwood, but does not manufacture it. Among insulating board products to be manufactured at the new plant will be natural finish building board, decorative ceiling panel and wall plant, insulating board sheathing, acoustical panels and roof insulation.

The company will also begin manufacture of asbestos-cement boards at its Port Union, Ont., plant when an expansion there is complete. It now makes mineral wool insulation, refractory cements and asbestos-cement pipe there. It is expanding its Matheson, Ont., asbestos mine for underground operation.

Its main plant is at Asbestos, Que., where it mines the largest asbestos deposit in the world.

MANITOBA POWER COMMISSION distributed a total of 43 million kwh of electricity in May or 11% more than the same period last year. The 1955 supplementary farm construction program is now under way; it involves extending services to farms in previously energized areas. A good deal of renovating and reconditioning of transmission lines and substations was completed during May.

Shell Awards Scholarships

First winners of two science and engineering postgraduate scholarships awarded by Shell Oil Co. of Canada are T. P. Schaefer, graduate of University of Manitoba, and G. B. Chadwick, graduate of University of British Columbia. Schaefer will enroll at Oxford and Chadwick will attend Cambridge.

The scholarships, worth $4,000 each, are open to male British subjects under 25, with at least five years residence in Canada. Shell also awards seven fellowships at Canadian universities, for postgraduate work.

Grain Prices

Chicago Futures

Week to June 13, 1955

Crop year from Aug. 1, 1954 High	Low		High for week	Low for week	Close June 13
Wheat—					
2.18⅛	1.91⅞	July	2.01	1.97	2.00⅛
2.20¼	1.93⅛	Sept.	2.02⅛	1.98⅛	2.02⅛
2.21⅛	1.96⅛	Dec.	2.04⅛	2.01	2.04⅛
2.07⅛	1.96⅞	Mar.	2.02⅛	1.99⅞	2.02⅛
1.90¼	1.95	May	1.98⅛	1.95	1.96⅛
Corn—					
1.66⅛	1.40¼	July	1.43⅞	1.40¾	1.43⅜
1.61	1.39¼	Sept.	1.42	1.39⅞	1.41⅛
1.49¼	1.32¼	Dec.	1.34⅜	1.32¼	1.34
1.43¼	1.35¼	Mar.	1.37⅛	1.35¼	1.37
Oats—					
.77⅛	.63⅛	July	.68	.65⅛	.67¼
.72⅛	.64⅜	Sept.	.67	.65¼	.66⅛
.71⅛	.68¼	Dec.	.69¼	.67⅛	.68⅛
.73⅛	.62⅛	Mar.	.71⅛	.69¼	.70¼
Rye—					
1.48	.98⅛	July	1.08	1.04	1.07⅛
1.39	1.01	Sept.	1.11	1.06⅛	1.10¼
1.15⅛	1.04⅛	Dec.	1.14⅛	1.10	1.14
1.18	1.12	Mar.	1.17¼	1.13⅛	1.16⅛
Soybeans—(old contracts)					
July			2.44	2.41⅛	2.43⅛
Sept.			2.32⅛	2.28⅛	2.32¼
Nov.			2.31¼	2.27	2.31
Jan.			2.33⅛	2.29⅛	2.33⅛
Soybeans—(new contracts)					
Sept.			2.33⅛	2.31¼	2.33⅛
Nov.			2.33⅛	2.29⅛	2.33¼
Jan.			2.35⅛	2.28⅛	2.35¼
March			2.37¼	2.32⅛	2.37¼

Chicago Cash

	For Week June 13 High	Low	Prev. week High	Low
Corn—				
2 Yell. (new)	1.49	1.48¼	1.46⅛	1.46⅛
Oats—				
1 H. W.	.79⅛	.78	.79	.77⅛

Winnipeg Futures

Week to June 13, 1955

Crop year from Aug. 1, 1954 High	Low		High for week	Low for week	Close June 13
Oats—					
.88⅛	.71¼	July	.84	.83	.83
.79	.69¼	Oct.	.76⅛	.76	.76⅛
.74⅛	.71¼	Dec.	.72⅛	.72	.72⅛
Barley—					
1.17⅛	.98⅛	July	1.06	1.04⅛	1.05⅞
1.12⅛	.94⅛	Oct.	1.02⅛	1.01¼	1.02⅛
.98⅛	.93⅛	Dec.	.98⅛	.97⅛	.98⅛
Rye—					
1.40	.98⅛	July	1.04⅛	1.02⅛	1.03⅛
1.23⅛	1.00	Oct.	1.06⅛	1.05⅛	1.06⅛
1.10⅛	1.06⅛	Dec.	1.07⅛	1.06⅛	1.07⅛
Flax—					
3.58⅛	2.56⅛	July	3.37⅛	3.42⅛	3.34⅛
3.30⅛	2.75	Oct.	3.26⅛	3.13	3.13
3.11	2.90	Dec.	3.10	2.99⅛	2.99⅛

Winnipeg Cash

	For Week June 13 High	Low	Prev. week High	Low
Oats—				
2 C. W.	.91¼	.90⅛	.91	.90⅛
3 C. W.	.86⅛	.85⅛	.86⅛	.85⅛
Barley—				
1 Feed	1.04⅛	1.03⅛	1.04⅛	1.02⅛
2 Feed	1.03⅛	1.03¼	1.03¼	1.02¼
1 Malt	1.16⅛	1.16	1.15⅛	1.15
Rye—				
2 C. W.	1.03⅛	1.01⅞	1.03⅛	1.02⅛
1 C. W.	1.03⅛	1.01⅞	1.03⅛	1.02⅛

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ANNOUNCEMENT

NASH MOTORS APPOINTMENTS

R. J. ORR

REG. A. GIBSON

R. J. "Bob" Orr has been appointed general sales manager and Reg. A. Gibson has been appointed plant manager, Nash Motors of Canada Limited, Richard T. Purdy, president, announced today. Mr. Orr, a former sales executive with Ford of Canada and until his recent resignation, sales manager for Rootes Motors (Canada) Limited, has an extensive background in dealer development and training and sales administration policies. He was born in Regina, Saskatchewan in 1917. During the second world war he served overseas with the Regina Rifles as Officer Commanding.

Mr. Gibson, formerly Nash general sales manager, brings to his new position as plant manager extensive experience with all Nash operations in Canada during the past five years. He has been associated with the Canadian automotive industry for 28 years. These two appointments at Nash, a subsidiary of American Motors Corporation, Detroit, are part of an overall development and personnel expansion program presently under way.

The Co-ordinator

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SEE HOW OUR CLIENTS MADE MONEY IN CONS. NORTHLAND

Here is PROOF—and it is only one example of **many**—that week by week we give our Subscribers accurate advice by which they can MAKE MONEY. Read below exactly what we said, over a five-month period, and note that one of the strong points of OUR service is that we tell you when to SELL as well as when to BUY.

On Dec. 27th, when CONS. NORTHLAND was at $1.09, our Weekly Bulletin said, "Still advise more strongly than ever before to AVOID PURCHASING. It is more than likely that a reaction to below .70c will soon occur." LOW SINCE WAS .46c.

On March 18th, when CONS. NORTHLAND had rallied to .51c, we said, "Has encountered support around .50c, as was originally expected prior to its decline below $1.00. Stock is currently well-supported at .50c, and full purchases may now be executed. A rally to .90c should not be long in coming." HIGH SINCE THEN HAS BEEN $1.44.

How are we able to "call the turn" ahead of time like this? Many complex factors determine a stock's **real** value, which may be above or below its **market** value. We keep over 800 Listed Stocks under constant technical analysis, and when a stock is out of line with its real worth, we tell you, at the right time, whether to BUY or SELL. Try our Service for yourself for 4 weeks, and prove its value to YOU. **To those who subscribe NOW, we will include our new list of 10 PENNY SLEEPERS.** Similar lists, in the past, have been real money-makers for our Clients.

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CITY AND PROVINCE

NATURE OF BUSINESS

FP-68

Continental Demand Seen Final Answer To Question of Marketing Canada Crude

By W. O. TWAITS
(Vice-president, Imperial Oil)

In the eight years since Imperial discovered oil at Leduc, Alta., Canada has vaulted from an oil-poor nation to the position of seventh largest oil producer in the world, able to produce 420,000 bbls. a day. Before another five years have passed — by 1960 — we should be able to produce one million barrels a day.

From a nation that had far more markets than it had production, we have become a nation with more production than we have immediate markets. The industry's very strength has created its biggest short-term problem — where are its future markets?

Before trying to see where we are going, let's take a look at where we have come from.

Canadian oil wells today supply the needs of virtually all of Canada west of Toronto, in contrast to 1947 when only an area near the Arctic circle and another around Calgary were supplied with domestic crude. Our known reserves have risen from 72-million barrels to some 2¾-billion barrels. There are other measurements of progress, but perhaps the most striking is that current oil production with a 1954 value of $245 millions, effects a foreign exchange saving of considerably more than that. This saving of foreign currency by reduction of crude imports is in U.S. dollars, and is increased by the investment of American capital, by companies and individuals, in Canada's oil development.

This is all the more noteworthy because 1947 was a year of crisis for Canadian currency. Drastic controls were introduced in that year to prevent the Canadian dollar from going to an excessive discount. Today, after eight years of oil development, our chief exchange problem is to prevent the Canadian dollar from going to an excessive premium. In fact, the exchange premium over the past few months has cost Canadian oil producers up to 10 cents a barrel in wellhead prices — the amount by which competitive imports are reduced in price by the exchange differential.

While it would be wrong to credit oil with being more than one factor among many in changing Canada's exchange rate, it is certain that the oil development has contributed heavily to a northward shift that has taken place in North America's economic centre of gravity.

Canada's Part

The Canadian oil industry has been financed in much the same way as that in the United States: with risk capital furnished by earnings plowed back by the oil industry; with risk money from the investing public and mortgage money from insurance companies, pension fund societies and other lending institutions.

The role that new U.S. capital has played in the Canadian development is important and yet sometimes exaggerated. While it is not possible to pin down exactly how much the Canadian oil industry has been financed by U.S. funds, American investment now represents some 50 to 60% of the total. This percentage, of course, is substantial when you consider that a total of more than $2½ billions has been invested in the industry since 1947. But more surprising is the amount Canadian capital has contributed when the smallness of our crude oil resources before 1947 is taken into account.

Perhaps the most significant difference between the U.S. and Canadian scenes, from an operational standpoint, is the ownership by governments, of from 50 to, in some areas, 100% of mineral rights. This means that the mineral owner's revenues which go to the private landowner in the U.S., largely go to provincial governments in Canada.

Rapid Refinery Expansion

The Canadian oil development since Leduc has been influenced by a combination of factors. Discovery of two major pools at Leduc and Redwater within a year, in an area dependent on high-cost imported supplies, led to rapid expansion of local refinery capacity and early need for a major pipe line outlet.

At the same time, government leases forced quick evaluation and rapid development of discoveries. Because of this the Canadian oil industry has had to condense a lot of experience into a few years, and it was inevitable it should borrow from U.S. experience and oil conservation legislation.

One of the advantages that we have gained from U.S. experience is that we are better able at this early stage to estimate our present crude reserves and the ultimate prospect of the Canadian industry.

Known reserves of light crude — currently estimated at as high as two and three-quarter billion barrels — rose by about 370-million barrels in 1954, which may in time with revisions and extensions approach 600 million barrels. This is six times the year's crude production. Going by American exploration experience, at this rate Canada should find from 20 to 25 billion barrels of light crude over the next 30 years —about 10 times our present known reserves. There are, of course, additional resources in the form of heavy crudes, oil shales and the famous tar sands of Athabaska — the last alone estimated to hold up to 300 billion barrels.

The current problem of Canadian oil however, is not connected with ultimate possibilities so much as with near realities. Today, oil wells in Western Canada could produce about 420,000 barrels daily. Actual production for 1955 will probably average about 330,000 barrels daily, with closed-in potential (crude we could produce if we had markets for it) of some 100,000 barrels a day. The markets supplied in 1955 will, it is estimated, be as follows: British Columbia, 49,000 barrels a day; Puget Sound, 37,000; prairie provinces, 118,000; U.S. lakehead-Minneapolis area, 21,000; Ontario, 105,000; a total of 330,000 barrels a day.

Three Market Phases

Canadian oil has spread out to serve these markets in three successive phases. First came the prairie provinces, whose needs were satisfied by the middle of 1949. Then followed the move eastward to Ontario, by construction of the Interprovincial pipe line which now runs 1,772 miles from Edmonton to Sarnia and has an ultimate capacity of about 300,000 barrels a day.

When Western Canadian crude invaded the Sarnia market it came into competition with all other crude oil supplies entering the Great Lakes area—crude from the Mexican Gulf, Mid-Continent and U.S. Rocky Mountain regions, and even from South America. This area represents world-wide oil competition. The price of Canadian crude accordingly has reflected, and continues to reflect, all these forces.

The latest market to be added, British Columbia and the Pacific coast, came with the completion of the Trans Mountain pipe line in 1953. Despite low ocean tanker rates, Canadian crude is competitive in this area with all sources of supply.

Each time it reached out for a new market Canadian crude was to a large extent controlled by its position. Canadian oil fields are almost in the centre of the continent, far from ports, and this means they must compete at long range with sea-borne imported crudes.

Where the markets of most competitive crudes are decided by large ocean tanker carrying costs, Canadian crude must adapt itself to pipe line transport costs which are three times as high. Canadian crude must move at costs of roughly three cents a barrel per 100 miles in big-inch pipe line systems. Tanker-borne crude, say from South America or the Mexican Gulf, traveling at perhaps one cent a barrel per 100 miles can be moved more than 5,300 miles for as much as it costs to move Alberta crude the 1,772 miles from Edmonton to Sarnia. In addition, the tanker-carried crude has the advantage in flexibility of route as well as cost.

The comparatively rigid and high-cost transportation by which Canada's crude must travel suggests that Canadian crude prices will inevitably carry a heavy transportation penalty and that any decision for marketing Canadian oil — because of the relative inflexibility of pipe lines — will have lasting effects.

Mineral Rights Held In Trust

There is a third consideration. Since the majority of mineral rights in Western Canada are held in trust for the people, the governments of these provinces represent the mineral owner's interest in gaining the best possible return for oil at the wellhead. This strengthens the natural objective of the producer to gain the best possible price for his oil. Added to the comparative rigidity of an industry which must operate on interior continental lines, it lends further emphasis to the industry's desire to avoid any unnecessary, though nonetheless permanent, transportation penalties.

This penalty can be seen in the wellhead prices — in U.S. currency — of comparable American crude. While Edmonton (Redwater) crude will fetch $2.58 per barrel, Rocky Mountain, Mid-Continent and Gulf crudes get $2.80, California gets $3.21 and Venezuelan crude (f.o.b. tanker), $2.85.

The figures show the price situation as it stood early this year and why, facing a price difference of 22 cents or more per barrel, Canadian oil men must stop to consider before making any move that might detract further from the long-term attractiveness of Western Canada as an area in which to look for crude oil. Canadians sometimes think of all mining and mineral production as being similar to gold with its fixed high price which makes it profitable to search for gold in almost any part of the world. With the increasing emphasis on crude mineral production, such as oil and iron, it is being realized that many minerals are valuable only if they can be brought cheaply to good markets, a state of affairs which can by no means be taken for granted.

Distance A Limiting Factor

We can deduce from these various factors that Western Canadian crude can probably never economically supply all Canada. The shortest route from Edmonton to Halifax would be more than 3,000 miles. From Edmonton to Montreal is about 2,300 miles. Perhaps the longest overland supply route traveled by crude in the U.S. is from west Texas to the Great Lakes — well under 1,500 miles. The Canadian east coast market presents a most difficult transportation hurdle for Western Canadian oil. On the other hand, distance which limits us in the east works to our advantage on the west coast where competitive supplies have a much longer haul.

These transport problems, together with growth forecasts which indicate Canadian wells could produce more than one mil-

(Continued on page 38)

JOHN STUART, SR.

Canuba Manganese Mines Limited, of which John Stuart, Sr., is president, in the course of investigating its several properties in Cuba, has located important copper showings and development accent has been switched from manganese to copper.

First of the new developments was the location of a high-grade copper vein on the Constancia group by diamond drilling. This was followed up by shaft sinking to a depth of 65 feet, with a crosscut which reached the vein at 40-foot distance. Successive face assays for a total crosscut distance of 16 feet, ran as follows: 2.66% copper, 5.39% copper, 2.51% copper, 2.63% copper, 2.13% copper, 8.90% copper, 8.69% copper. This ore also contains 48.5% sulphur and 41.92% iron, with some values in gold and silver. This zone is traceable on surface for at least 1,200 feet.

A diamond drill hole was put down at a distance of 90 feet from the shaft and cut this same vein at a vertical depth of 120 feet, where it proved to be as heavily mineralized as where it showed in the crosscut. The shaft is being deepened to open a second level.

Subsequent prospecting located three additional copper veins in the same immediate area and there is the possibility that all four veins may converge at depth. A copper development of major proportions appears to be shaping up on this property.

Following this copper development, strong New York financial interests engaged the services of the well-known mining consulting engineering firm of Ford, Bacon & Davis, Inc. of New York, and Mr. Knutson of that organization has been in consultation with Canuba directors and with Dr. R. A. Halet, the company's consulting engineer and geologist. Dr. Halet is at present preparing a complete report, with maps, of the property and this will be available shortly.

Meantime, $150,000 firm has been arranged for and major financing is being negotiated.

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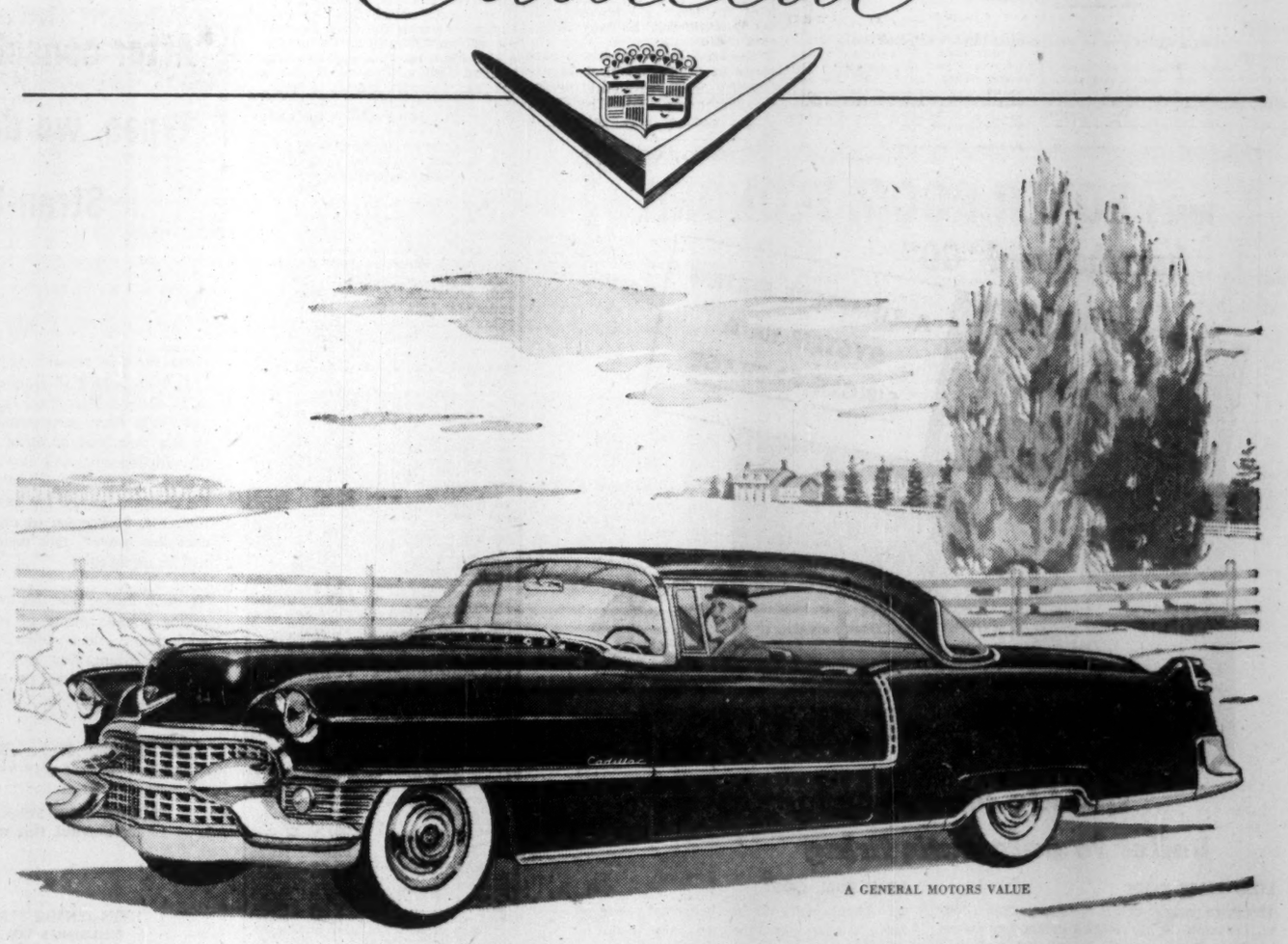

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SEE YOUR CADILLAC DEALER

Continental Demand Answer to Oil Marketing

(Continued from page 37)

lion barrels a day by 1960, poses as neat a set of problems as any eight-year-old ever had to solve.

No rational forecast of Canadian demand indicates more than 650,000 barrels a day by 1960, and of this only 400,000 barrels a day is in the parts of Canada now being supplied with Western Canadian crude. If we add in Puget Sound, already being supplied with Canadian crude, and allow for the probable growth in demand of these present marketing areas, the outlet for Canadian crude grows to 550,000 barrels a day by 1960. This is still not much more than half of what we'll probably be able to produce and will leave more than 400,000 barrels a day looking for markets.

An obvious suggestion is that the Interprovincial pipe line be extended to Montreal, which by 1960 should be consuming up to 200,000 barrels a day. This has some superficial appeal, since the economics of a larger-scale pipeline operation would help to offset the wellhead price cuts necessary to compete with crude brought in by tankers. But this would commit western crude to compete at the end of a haul costing about 75 cents a barrel against operating some 37 cents a barrel Gulf and South American crude away from their home bases. Canadian crude would be committed, through the inflexible medium of a pipe line, to compete with these crudes at double the transport handicap, and Canadian producers would then be faced with a possible cut in wellhead price of some 38 cents a barrel.

The Tariff Question

In a period of ample supply, reducing price is no assurance of capturing a market, but the big catch is the permanence of such price reduction and its discouraging effect on the development of the industry. This has led some people to suggest imposing a protective tariff on crude entering Canada.

Most oil men find tariffs, quotas and other trade restrictions repugnant in principle, even though there seem to be exceptions which justify such practices. Only a very serious situation could justify such a move, especially by a country which has so good a record in trading practices as Canada.

A second objection to a protective tariff is that gasoline is already one of the most heavily taxed commodities in Canada — far more so than in the United States — and any additional tax on this major source of energy would represent a handicap to the ability of Canadians to carry on their work economically and competitively.

What then, is the answer to the problem of future outlets for Canadian crude? If future is defined as some time beyond the point of accurate prediction, then the answer is exceedingly simple — the problem will disappear.

We have been talking about the problem of 1960; the time when Canada's growing crude potential will find the bonds of land transportation most restricting. But we are approaching the 1960 problem with the thinking of 1955. This is a year in which oil supplies are ample, and there is a tendency to think in national, rather than continental terms.

A realistic look at the future must take into account a growth in continental oil requirements to at least 12 or 14 million barrels a day in the next 20 years compared to the present 8½ million. The 1952 report of the U. S. Materials Policy Commission predicted the demand for crude oil in the U. S. — then just over seven-million barrels a day — would double by 1975. It can logically be expected that Canadian crude will help fill this increased continental demand.

Maximum Development Needed

The Canadian industry's long-term problem really then is to ensure the maximum rate of exploration effort and the maximum development of oil resources against this outlook. Within this framework, the forecast Canadian production is not a problem but an essential.

We have the historical record of the oil business to show that the joint forces of supply and price cannot remain out of balance for any length of time. In this balance, it is axiomatic that oil should move to the nearest and best-priced market, representing the maximum incentive to the producer and the royalty owner. Any devices which try to ignore this axiom must inevitably distort or retard sound development. In the short-run outlook, the solution to successive marketing problems will probably be piecemeal. Western Canada's markets will grow city by city, and refinery by refinery, rather than by the tremendous leaps they have taken in the first eight years. What we can look forward to is steady growth and consolidation. Possibly this is the best indication that, in passing its eighth milestone, Canadian oil is approaching maturity.

Werner Lake Hole Cuts 5.2′ Mineral

An intersection of 5.2 ft. of mineralization starting at 148.8 ft. has been secured by Werner Lake Nickel Mines in a first drill hole on its property adjoining Quebec Nickel Corp. in the Kenora district of Ontario.

Sections are now out for assay.

The first hole, and the second, are designed to provide a check on drilling in a known mineralized zone by previous operators.

Drilling will now be concentrated on anomalies outlined by recent geophysical work which are more intense than that outlined over the known mineralized section. The anomalies lie within the same gneissic zone which contains the ore zones at Quebec Nickel.

Adequate funds are reported on hand for a thorough test of conditions on the company's 16-claim property, it is stated.

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2. Locality map of: Beaverlodge — Blind River — Marian River (check name of mining camp).
3. Up-to-date information on ..... (fill in name of mining or oil company)

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Province ..... Telephone .....

NOTE: Maps and brochure are being prepared in limited number. To avoid disappointment act promptly.

WHAT DID OSCAR C. BARTELLS SAY

In His Market Advisory Service About

MOGUL MINING? QUEBEC NICKEL?

EXTRACT FROM MARKET LETTER No. 711 (April 21, 1955)

"The sensation of the week has been MOGUL MINING—which jumped up to **$2.20.** This stock was recommended to you at the offering price of $1 and in Letter No. 704 as **my prime recommendation at $1.30.** The Company is issuing $3 million dollars in bonds, convertible into common stock at $1.50 and $2. Interest rate 1%. I hear it will have controlling interest in EASTERN METALS, QUEBEC NICKEL and YALE LEAD, in addition to owning 14 different and well chosen groups of claims in various Provinces. In my opinion the growth potentialities of MOGUL are tremendous and I recommend it most strongly to clients."

EXTRACT FROM MARKET LETTER No. 718 (June 9, 1955)

"Under these circumstances, the well managed, financed and alert holding companies offer a great deal of attraction. MOGUL MINING is a prime example of this. Strongly recommended at $1 and many times in the $1.30-40 area (Letters 704 etc.) this stock has advanced steadily to $3.20! In addition to previously listed holdings, I understand it has acquired shares in BICROFT and RAYROCK at attractive prices. MOGUL will finance and control the big Eastern Smelting & Refining plant for nickel-copper ores at Chicoutimi, Que. **In Letter No. 715 when MOGUL was $2.00, I said, 'By all means hold MOGUL—one of the best growth situations I have ever seen'."**

EXTRACT FROM MARKET LETTER No. 712 (April 28, 1955)

"QUEBEC NICKEL has been acting surprisingly well in view of the fact that the crosscut to the extensive 'B' orezone has not been completed yet. This stock has been recommended to you time and time again since Letter No. 696 at **$1.20,** and in Letter No. 699 I said, 'QUEBEC NICKEL is being groomed for big prices later—I think the stock is consolidating here at $1.20-5 in preparation **for a move to above $2. Definitely hold and buy.'** Since then, underground work on the 'G' orezone has proved that widths and values of nickel, copper and platinum ores were greatly in excess of previous diamond drilling results. The same condition is expected in the 'B' zone now being approached underground. This orezone is 2,700 ft. in length. Good developments here in the coming weeks would give **QUEBEC NICKEL major mine-making status."**

Recent Market Price of Mogul Mining Shares .... $3.30 !

Recent Market Price of Quebec Nickel Shares .... $2.50 !

RESULTS AS EXPRESSED BY CLIENTS:

"A large New York City brokerage house member of the New York Stock Exchange writes in its weekly letter: 'Canada, incidentally has **only one** investment advisory service which seems to be worth mentioning . . . **Oscar C. Bartells of Toronto.'** This is certainly a high tribute. I am in full agreement with the statement. May I commend on your most brilliant foresight in stock recommendations which eventually reach their true value. However, I particularly favor your strong—**'price recommendation today'** security. The yearly service fee of $25, by heavens, is low in comparison to your expert guidance. Enclosing my cheque for $25 to a sound investment for one year. With best wishes and everlasting health."—Pittsburgh, Pa.

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Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Oil

CANADIAN ATLANTIC OIL CO. reports the following highlights of activities in the year ended Feb. 28, 1955:

—Net profit of $118,586 vs. a $57,037 loss a year earlier.

—Arrangement by Westcoast Transmission to sell an initial 300 million cu. ft. of gas a day to Pacific Northwest Pipeline Co. at U. S. border.

—The "most successful" year in the company's history with new oil and gas discoveries adding to reserves and new exploration programs involving millions started.

The most important events at the end of the year were signing of a letter of intent with Imperial Oil whereby the latter plans to spend a substantial sum on acreage shared by Atlantic with others in B. C., and decision of Southern Production Co. Inc. to double its definite expenditure commitments to $10 millions.

"These agreements, when completed, will mean the spending of $19 millions over the next three years for exploration and lease rentals at no cost to Canadian," the company reports. "The Imperial agreement will also provide that Canadian Atlantic and associates retain the oil and gas from present proven horizons in the areas already developed.

Among important discoveries in the past year on lands in which Canadian Atlantic was interested was completion of two oil wells on an 109,000-acre block at Rocky Mountain House, near Pembina. Several other wells are planned in the current year. Other finds included the large gas discovery at West Buick Creek, Halfway River, Gates and others.

Canadian Atlantic expects to participate in drilling at least 70 development wells required in northern Alberta and British Columbia in an 18-month period to meet Westcoast requirements.

A share is being taken in exploration for oil on the Island of Cuba.

INCOME ACCOUNT

Years Ended Feb. 28:	1955	1954
Prod'n revenue	$1,062,184	$1,047,807
Less: Royalties	160,000	155,007
Misc. income	*113,987	*157,401
Total net rev.	**1,016,171**	**1,050,201**
Less: Oper. exp.	405,323	433,513
Leasehold carrying chgs.	139,294	198,636
Deprec.	36,445	45,976
Deplet. of prop.	168,012	166,349
Leases surr. & w/o	43,014	32,282
Net profits before w/o	**224,083**	**173,445**
Less: Expl. & dev.	105,497	230,482
Net profit & (corp.	**118,586**	**(57,037**

*Including $76,392 in 1955 and $125,110 in 1954, government explor. & drilling credits.
(Loss or deficit.

Earned per Share	$0.037	d$0.018

None paid.

CONDENSED BALANCE SHEET

As at Feb. 28:	1955	1954
Cash	$354,332	$650,494
Accts., etc., rec.	425,420	131,506
Guar. Trust cert.	750,000	750,000
Mkt. sec.*	91,666	313,916
Total curr. assets	**2,121,418**	**1,845,916**
Prepaid exps.§	.....	149
Deposits, etc.	67,352	80,726
Investments	81,121	92,067
Drilling in prog.	149,135	116,855
Leases, land, devel., etc.▲	4,342,922	4,284,502
Plant & equip.†		107,812
Total assets	**6,761,948**	**6,528,927**
Accts., etc., pay.	144,370	67,890
Taxes	39,686	39,686
Total curr. liabs.	**184,056**	**107,576**
Capital stock	6,393,342	6,363,342
Capital deficit	50,024	68,879
Earned surplus	244,574	125,988
†After depr. res. of		265,415
▲After depl. of res & w/o of	1,124,580	661,172
*Mkt. value	635,218	703,372
§Included in curr. assets in co's report.		
Working capital	**1,937,362**	**1,738,340**

AJAX PETROLEUMS had a 1954 profit of $161,071 against a 1953 loss of $53,530. But after allowing for loss of pipeline subsidiary and larger write-offs, there was a consolidated loss of $163,914, down from $241,619 the year before.

A marked improvement was shown in sales of natural gas to Canadian Chemical Co., the main customer, during the year. Towards the end of the year sales were at a 21 million cu. ft. a day basis and totalled 6,867 million cu. ft. during the year. In addition sales to Morinville Utilities were 51 million cu. ft., bringing year's sales to 6,918 million cu. ft.

Sales have increased slightly since Jan. 1, 1955, and sales of 8 billion cu. ft. of gas are hoped for in the current year.

Negotiations with Canadian Chemical Co. resulted in the latter agreeing to pay an additional 1¾c per mcf transportation charge for gas. With increased gas consumption, this is expected to mean a cash betterment of $200,000 of revenues in 1955. Steps have been taken to temporarily reduce debenture sinking funds charges and unproductive leases have been surrendered to effect savings in land rentals.

CONDENSED CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1954	*1953
Sales	$891,881	$222,605
Less: Royalties	210,344	70,636
Operating exp.	195,559	88,426
Net oper. rev.	**285,978**	**63,543**
Add: Oth. inc.	18,073	8,030
Less: Admin. & gen. exp.	100,187	56,336
Net income	**203,866**	**15,237**
Less: Bond int.	81,519	42,456
Deprec.	194,314	111,626
Amort. & depl.	47,554	17,639
Amort. preprod. exp.	36,438	18,219
Amor. inc. exp.	1,061	530
Unprod. expl. & aband. leases	4,104	66,366
Loss on disp. f. a.	2,790	.....
Net loss	**163,914**	**241,619**

*Commercial operations commenced July 1, 1953.

CONDENSED CONSOL. BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$53,868	$78,936
Sec. dep.	3,411	8,161
Accts. rec. & adv.	72,679	91,888
Inventories	38,347	57,155
Total curr. assets	**168,305**	**236,140**
Prepd. exp.*	4,217	6,038
Inc. exp.	3,712	4,773
Preprod. exp. less w/o	127,533	163,970
Pipe. const. fund	925	925
Invest.	126,635	121,000
Leases, rts. & res.	145,063	141,779
Develop. costs	1,333,331	1,337,896
Equipment & plant	2,292,395	2,243,715
Less: Depr., depl. & amort.	369,476	129,284
Total assets	**3,832,640**	**4,176,952**
Accts., etc., pay.	293,963	372,265
S.f. pay.	306,000	160,000
Total curr. liab.	**599,963**	**532,265**
Funded debt	1,300,000	1,500,000
Capital stock	2,000,800	2,000,000
Capital surplus	365,842	363,938
Deficit	433,165	289,251
Working capital	***431,658**	***296,125**

*Excess of curr. liab. over curr. assets.

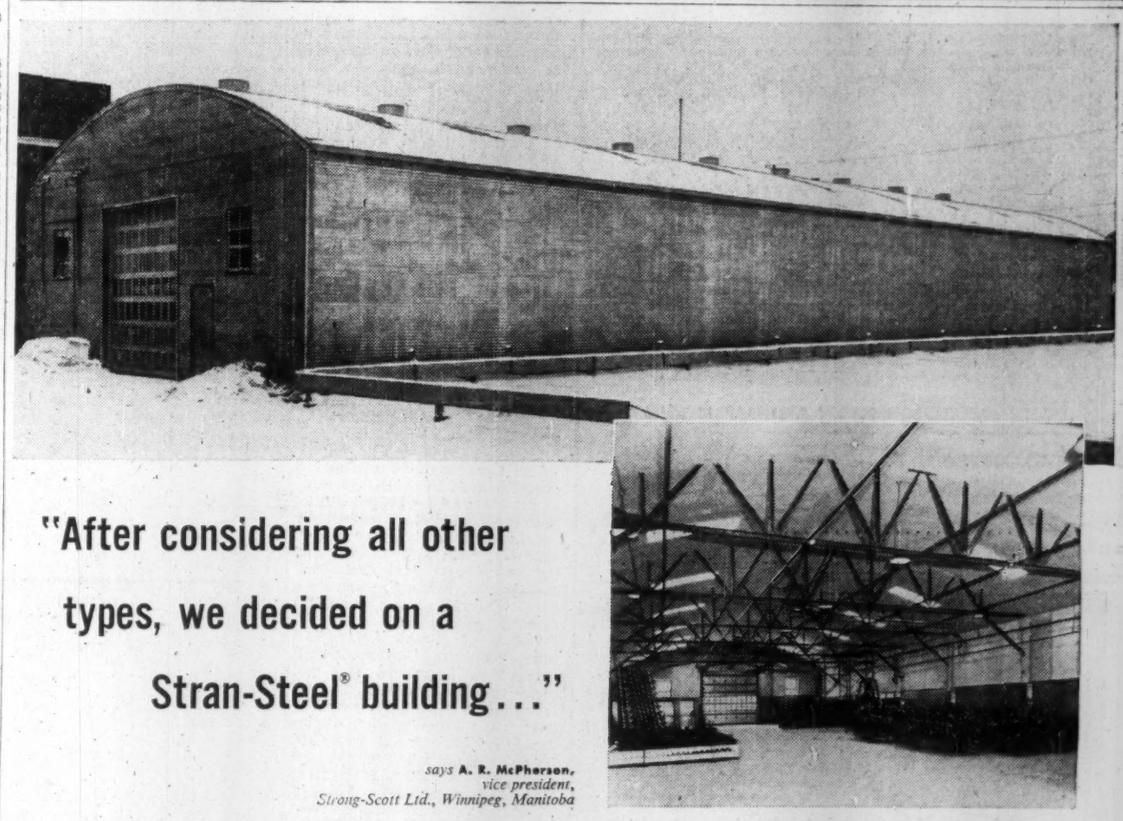
Ad Astra Drill Gives 600-ft. Length of Ore

An ore body with a length of 600 ft. and averaging 0.22% U_3O_8 over at least 3 ft. is stated to have been indicated on the Burr property of Ad Astra minerals at Burbidge Lake.

Five holes completed so far are stated to have returned the following values in a 12-ft. wire radioactive zone: 0.64% U_3O_8 over 1.0 ft.; 1.43% over 1.5 ft.; 0.56% over 1.7 ft.; 0.272% over 1 ft.; 0.496% U_3O_8 over 2 ft.

Drilling has intersected the ore zone at a vertical depth of approximately 70 ft. Deeper drilling is now proposed on the 600-ft. radioactive zone to ascertain the downward extension. In addition, further drilling is proposed to ascertain the lateral extent of the indicated ore body, it is stated.

SOUTH AMERICAN GOLD & PLATINUM had a net profit of $364,792 US or 21c a share in the first quarter, 19.8% higher than the like 1954 quarter. "Income received since March 31 from certain major investments will be reflected in subsequent reports," Lewis R. Harder, president, states.



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says **A. R. McPherson,**
vice president,
Strong-Scott Ltd., Winnipeg, Manitoba

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To quote further from his letter: "The high ceiling permits plenty of room for large equipment . . . the post-free clear span makes machine arrangement easy and facilitates material movement and storage." And, "We know that Stran-Steel buildings can be readily expanded for future needs." Mr. McPherson closes by saying, "*We are certain* that this type of building commends itself to businesses having space problems."

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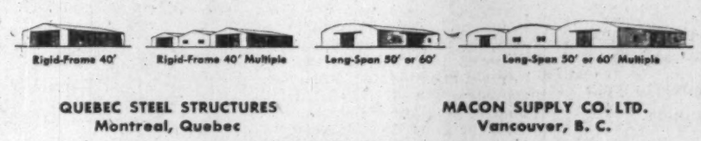

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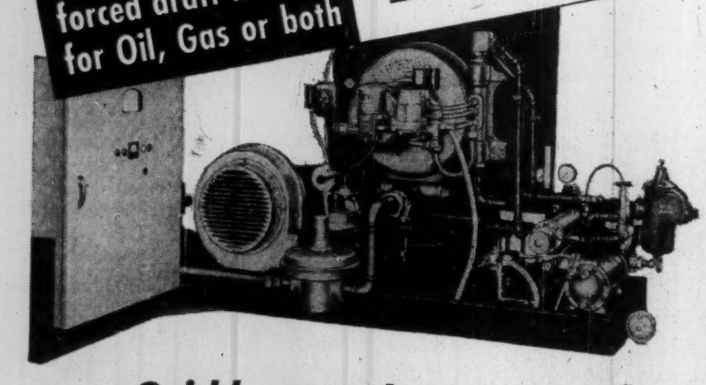

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Rayrock Results Stimulate Interest In Entire Stretch of Marian River Area

By GORDON M. GRANT

Marian River, N.W.T., will almost certainly be one of the most active uranium camps in Canada this summer as a result of spectacular results secured by Rayrock Mines and numerous other discoveries in the area.

The main quartz stockwork structure, with which Rayrock's high grade deposit is associated, stretches for miles. Limited work carried out in the past has indicated a number of interesting situations and the wheels are being set in motion for their investigation.

In a separate structure to the south, Consolidated Northland Mines has had encouraging results in five drill holes on its west showing. These holes, completed along a length of 250 ft. (open both ways) are associated with a quartz stockwork similar to Rayrock. In view of the way the latter has found uranium associated with its quartz stockwork, Consolidated Northland results may be sufficiently encouraging to warrant sinking an incline shaft, the management thinks.

New Alger Picture

On the Rayrock belt, there is interesting ground which will rapidly be investigated.

New Alger, which has about 64 claims in five groups, has a seven-claim group next to Rayrock on which it is reliably reported that earlier work gave high grade pitchblende values. An active trader on the Toronto Stock Exchange, New Alger has rushed in a crew to its claims, has close to $300,000 in its treastry for the proposed program.

It is understood that new interest has been expressed in financing of Tarbell Mines (the former Snare River) with ground next to Rayrock.

Radiore Find

Radiore Uranium Mines which has a group of 13 claims west of Rayrock has sent in a crew to follow up earlier indications of uranium values. A good deal of radioactivity along an escarpment was found in the fall of 1953. It was thought at the time that this might come from talus material but it is now believed to come from the cliff above. This situation will be investigated.

Goldcrest Mines which already has one crew at work on a group of claims midway between the main property of Consolidated Northland and Rayrock will also place a crew as quickly as possible on its Rayrock break group of claims.

Newly formed Chipman Lake of Toronto interests is planning a work program for its property.

Lack of planes and the necessity of bringing in experienced men from the east has been a bottleneck in expanding area programs quickly. However, additional air facilities have now been made available.

Consolidated Northland with its results and well-financed treasury ($600,000 to $700,000) has been inspiring interest in other properties in its immediate area. Consolidated Negus is understood to be planning work while work is regarded as likely for an Iso uranium group as well.

Iso Uranium is also understood to be planning drilling on its Nuclear group north of the Marian River camp proper where there is an east-west stockwork.

What may be an important uranium find is stated to have been made by Giant Yellowknife north of the Marian River camp at Faber Lake. According to reports from the area this find has been responsible for rather heavy staking.

Another find is reported by undisclosed interests west and north of Consolidated Northland.

Radiore has a crew on its Cuthbert Lake group north of the Marian River area but there has been no report out as yet due to the breakup.

New Athona Mines which has done some drilling on its Ted group of claims is now concentrating on further mapping as a preliminary to additional diamond drilling.

The Marian River situation is really just starting to open up. But already the camp appears likely to be the scene of major exploratory activity in coming months.

Black Bay Ore Runs 3-6% Over Full Drift Width

According to late official word from Beaverlodge, the last 45 ft. of drifting at the adit level of Black Bay Uranium has been in extremely high grade uranium ore over full drift width.

Grade runs between 3% and 6% on visual assay with chemical assays awaited.

Boreal Reports Ore Extending to Depth

According to General Manager R. F. Driscoll, Boreal Rare Metals preliminary drilling on its properties at Great Slave Lake has shown surface indications of dykes to continue to depth.

Tantalite, columbite and lithium mineralization is stated to have been determined by drilling the Best Bet and Moose No. 2 dykes.

No assays are released by the company but it is reported these will be available after further inspection and analyses of the core.

On the Best Bet dyke, the ore zone was intercepted by several holes at a depth of 300 ft. Lateral holes established a width of 30 ft. An established length of 320 ft. showed "more than 200,000 tons of ore in this one ore body," the company reports.

Drilling on Moose No. 2 dyke, to south of last year's drilling, is said to make the indicated ore tonnage in this section considerably greater than for the Best Bet dyke.

Drilling on one of the four Ten dykes is stated to have indicated a widening at depth.

Grade of various ore bodies is reported similar to that shown on surface.

ANNOUNCEMENT

Long-Service Employees Also Shareholders

Among shareholders attending the 35th Annual Meeting of Dominion Stores Limited at Toronto were William Divorty (right), an employee of the Company since its inception in 1919, and Miss Daisy Sanders, who joined Dominion in 1921, and has the longest continuous service record of any female employee. Chairman of the Board J. William Harsey explains details of the Company's Annual Report, which disclosed that Dominion's growth had created 4,511 new jobs for Canadians over the past 10 years. The Company's Quarter Century Club now has 117 members, with 10 more employees scheduled to qualify this year.

ANNOUNCEMENT

CARLING'S APPOINTMENTS

R. A. BOVAIRD — S. C. CARA

Mr. W. T. Ingham, Ontario Sales Manager, Carling Breweries Limited, announces the appointment of Mr. R. A. Bovaird, formerly District Manager for the Hamilton and Niagara district, to the position of Western Ontario Sales Manager.

Mr. S. C. Cara is appointed to the position of District Sales Manager for the Toronto and Hamilton area.

Mr. Bovaird, a long time resident of Hamilton, has been active in athletics and community welfare projects in the Hamilton area. He joined Carling's in Hamilton in 1948 and in 1950 was appointed District Manager for the Hamilton and Niagara area. In his new position he will be resident in Windsor.

Mr. Cara joined Carling's in 1945 and was successively District Manager for Central Western Ontario at Waterloo, and latterly Western Ontario Manager at Windsor. In his new appointment, Mr. Cara will reside in Toronto.

Rayrock Zone Now Opened For Length of 120 Feet

A length of 120 ft. has now been exposed by slashing and drifting along the footwall of No. 6 zone quartz stockwork structure of Rayrock Mines, the company reports. Work has been slowed somewhat by a "flu epidemic" which laid off the entire crew for some days.

Plans call for full width of the zone to be examined and sampled at 50-ft. intervals by crosscuts from the footwall drift. Slashing is now proceeding for the first crosscuts. A raise has also been started at an incline of 50° which will go through to surface. The raise will knuckle back and forth in the stockwork cutting the zone three times between the 225-ft. level and surface.

Pitchblende is the only uranium mineral reported in the No. 6 zone and occurs in the vein and in lenses striking with the zone and trending obliquely across it from footwall to the hangingwall. Two drill holes from surface show intersections of the hangingwall side of the zone 30 ft. south and 20 ft. north of the present drift limits and from 20 to 60 ft. below the adit level. The drill holes assayed 3.82% over 7 ft. and 0.35% over 6.5 ft. Where drifted, the footwall structure is described as pitching, swelling and weaving but on the average is rich and strong with pitchblende showing prominently and often, the management states.

A number of small faults offset the veins about 1 to 2 ft. resulting in the veins moving into the drift walls frequently. The most conservative method of sampling the deposit is therefore by car sampling or large bulk samples, officials point out. Average grade of all car sampling for the uranium area opened to date is 0.40% U_3O_8 or $58 per ton at $7.25 a lb. for uranium oxide.

This is considered a minimum grade figure in view of the high grade ore exposed in walls of the drifts and crosscut and the fact that pitchblende, being friable, tends to break up and settle from the top of the cars where the samples are taken. Car sampling includes a length of 120 ft. along the footwall, 36 ft. of crosscutting and 4,700 cu. ft. of slashing. Sorting could be used to advantage in eliminating barren quartz. This would mean an increase in grade and a reduction in the size of milling plant required, officials believe.

COMPANY REPORTS

Mining

ANACON LEAD MINES realized an operating profit, after exchange allowance, of $544,023 in 1954 as compared with $159,426 a year earlier. Improved lead and precious metal recoveries plus higher metal prices during the latter part of the year were responsible for the increase.

The management, due to a gradual reduction of available working places, does not expect that the average mill rate of 610.9 tons can be sustained in 1955. Mine manager W. T. Horton reports that further major development work is not warranted adjacent to present workings and that a shutdown will probably be unavoidable. Structural conditions have been under study, however, and it is thought that ore bodies may repeat with depth.

Investment holdings at the end of 1954 included 772,400 shares of Brunswick Mining & Smelting, 2,020,590 shares of Chibougamau Explorers, 800,000 shares of Keymet Mines, 292,505 shares of United Montauban and 400,000 shares of Hewbet Mines. There was net working capital of $316,487 exclusive of these holdings.

Under the plan of reorganization, New Larder "U" Island Mines was taken over as of Jan. 1, 1955, on basis of one Anacon share for each three New Larder shares. Keymet and Chibougamau Explorers are also to be taken over on eventual 1-for-4 and 1-for-3 respective share exchange bases when these companies have exhausted their tax advantages as new mineral producers.

A commitment by the Royal Bank of Canada to advance up to $4 millions at 4½% interest will be used for bringing into production and operation New Larder "U", Keymet and Chibougamau Explorers properties.

INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Production	$2,753,615	$2,446,017
Less: Oper. exp.	2,164,629	2,262,858
Oper. profit	588,986	183,159
Less: Exchange	44,963	23,733
Depreciation	278,860	328,095
Def. develop. w/o	60,727	60,727
Prov. tax	20,000	4,000
Loss re min. props. abandoned	12,185	.....
Income tax	45,000	.....
Net profit & surplus	127,251	*233,396
*Loss or deficit.		
Earnings per Share and Dividend Record:		
Earned	$0.036	d$0.067
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$36,135	$60,497
Accts. rec.	146,079	196,441
Metal conc.	122,242	6,389
Inventory	117,668	153,291
Total curr. assets	422,124	418,618
Organ. expense	3,010	3,010
Investments	17,771,206	17,141,206
Def. devel.†	.....	60,727
Property	93,060	107,244
Bldgs. & equip.*	.....	283,273
Total assets	18,291,400	18,014,078
Total curr. liabs.	105,637	29,235
Capital stock	700,000	‡700,000
Capital surplus	15,835,889	15,835,889
Earned surplus	1,649,874	1,448,954
*After deprec. of	1,312,025	1,033,165
†After write-off of	242,907	182,180
‡After effecting change in capitalization, in July, 1953, from shares of no par value to shares of a par value of 20 cents each.		
Working capital	316,487	389,383

OPERATING STATISTICS

	1954	1953
Tons milled	222,967	232,943
Average recovery	$12.35	$10.50

SAND RIVER GOLD MINING CO. reports a marked improvement in financial position with over $73,000 in bank at end of 1954 as compared with $19,697 a year earlier. This was due to arrangements for sale of the entire interest in Undersill Mining Co. to Leitch (after acquisition of Northern Empire's interest) and receipt of $30,000 under a financing agreement. Since the end of the year an added $75,000 has been received through purchase of shares under option.

A deep drill hole is to be completed jointly with Winora Gold Mines in the Algoma uranium camp where 24 claims are held. Detailed investigation of areas indicated as interesting by an aeromagnetic survey is planned on a 24-claim property acquired last fall in the Tashota area.

Stanleigh Wedging Successful May Use Up to Six Drill Rigs

Stanleigh Uranium Mining Corp. announces that the wedge on its first drill hole has been successful. As of June 2, the second intersection of this hole, which originally ended in the diabase and was drilled to a depth of 3,200 ft. and recommenced at 1,900 ft., has now passed the 2,600 ft. mark with an 85½ deg. dip at 2,500 ft.

The diabase was not as yet intersected; therefore, the dip must be considered steeper than 40 deg., and there might be a possibility of reaching the basement clear of the diabase.

If the diabase should be encountered on the second intersection, such drilling would still give advanced knowledge of geological structure to such an extent that the end of the diabase could then be easily calculated, thereby permitting a nearby drill hole without any likelihood of diabase sills.

An additional machine has started drilling on the property due north of Milliken Lake; and a third machine of even heavier calibre will be moved to the Stanleigh property within the next two weeks.

A contract has also been concluded with Bradville Diamond Drilling to move an additional machine to the western portion of the property. Their crew should be on the property within the next few days.

Holes have been spotted on Claims numbers 26,411, 68,341, 70,399, 72,498, 75,392 and 76,596.

In addition, tenders are being received from manufacturers of drilling equipment, and Stanleigh will acquire at least one rig of its own so as to be able to do a certain amount of drilling on its property independently of contractors.

A tentative agreement exists with Heath-Sherwood Diamond Drilling to move the rig presently working on the Boise Yellowknife property in Blind River to the Stanleigh properties.

It is expected that within a month's time Stanleigh will thus have five contract drills working on its property and perhaps one rig of its own, if a qualified crew can be recruited promptly.

Stanleigh also announces that it has completed the land survey of its properties.

Gas Companies Will Supply New Paper Mill

North Canadian Oils, Calgary, and Mid-Western Industrial Gas, Edmonton, have completed a contract to supply gas to the pulp mill now being erected by St. Regis Paper Co. and North Canadian Oils in the Hinton area, 175 miles west of Edmonton.

Mid-Western will build the line from its gas fields at Alexander, Majeau Lake and Westlock to Wabamun, at which point it also has contracts to supply Calgary Power Ltd. with gas. North Canadian Oils will build the line from Wabamun to Hinton, a distance of 136 miles. Both lines are scheduled to be completed by fall of 1956. Initial throughput will be in vicinity of 10 million cu. ft. per day.

North Canadian Oils has the contract to supply the gas to the mill and has made a contract to purchase gas from Mid-Western at Wabamun, from which point North Canadian will put through its own line to North Western Pulp & Power, the operating company for North Canadian Oils and St. Regis Paper Co. Petrol-Structors Ltd., Calgary, has been engineers for both lines.

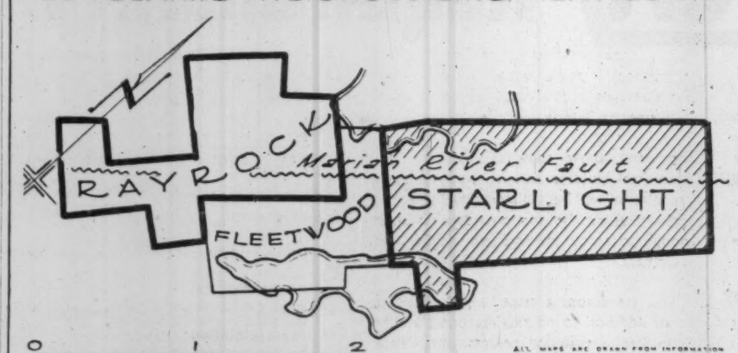
For the Information of Shareholders of

★ STARLIGHT ★

MINES LIMITED

MARIAN RIVER URANIUM AREA

22 CLAIMS NEIGHBOURING RAYROCK



ALL MAPS ARE DRAWN FROM INFORMATION BELIEVED TO BE RELIABLE BUT INDIVIDUAL OWNERSHIP AND EXACT LOCATIONS ARE NOT CERTIFIED. H. LANGRIDGE JR.

NOTE RE ABOVE MAP:

CERTAIN MAPS ARE SHOWING A GROUP OF 12 CLAIMS, ADJOINING STARLIGHT ON THE NORTHEAST, AS "T. & L. SYNDICATE." THESE CLAIMS ACTUALLY COMPRISE PART OF STARLIGHT'S 22 CLAIMS, HAVING BEEN PURCHASED OUTRIGHT FOR CASH, IN NOVEMBER, 1954.

MARIAN RIVER: Your directors are now planning a very extensive exploration program (probably to be followed, immediately, by diamond drilling) at your company's 22-claim property in the Marian River uranium area.

It will be noted, from the above map, that our property is only one claim removed from Rayrock, and that the important Marian River fault, which traverses Rayrock, also extends across the full length of our entire property—a distance of 2 miles.

BEAVERLODGE: Your company also intends to carry on exploration at the Beaverlodge uranium property, which is bordered on three sides by properties of Pacemaker, Lorado and National Explorations.

FINANCES: Your company now has a substantial amount of money in its treasury and this will be materially augmented as a result of a financing agreement which is now being concluded with Corporation Financiers.

IMPORTANT: As adequate finances are assured, both exploration programs will be on an extensive scale. There should, therefore, be very important news for shareholders in the very near future.

Examine your certificates. If they are not in your OWN NAME, please send them, immediately, for proper registration, to:

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You will thus make certain of receiving all important, official information, promptly.

STARLIGHT MINES LIMITED

85 Richmond St. W., Toronto, Ontario

Talk, No Action On Natural Gas

Canada's natural gas future was still in the talking stages this week with C. D. Howe and Trans-Canada Pipe Line officials around the table.

The main subject: clarification of the exchange plan whereby Trans-Canada would export 500 million cu. ft. of gas to Tennessee Gas Transmission at the Emerson, Man., border point, for up to some amount from Tennessee at the Niagara River crossing point.

Things were still at the talk stage. Mr. Howe had not indicated whether he would bring this scheme to the Cabinet. Meanwhile Trans-Canada was trying to sew up the Montreal market in negotiations with Quebec Hydro.

H. G. ACRES & Company Limited

Consulting Engineers

NIAGARA FALLS CANADA

LETTER FROM LONDON

By Adelphi

This is the time of the year when London is a three-ring circus that far outstrips anything the great Barnum ever thought of. In fact it is the greatest show on earth.

It is true, as I informed you last week, that the ceremony of Trooping the Color was canceled but the opening of Parliament brought pageantry in the grand style.

Unfortunately the pageantry was confined to the Houses of Parliament because the Queen decided (no doubt on advice) that it would be a mistake to drive from the Palace to Parliament in the usual Cinderella coach. The reason was that as the train strike was still on it would be a pity to dislocate the already harassed London traffic.

Instead it was arranged that she would travel in a car followed by a closed van with the Yeomen of the Guard and such other functionaries as are essential on such occasions.

It was fitting that June burst into tears and then sank into a November sulk. On your behalf I attended the opening and had no trouble in reaching Westminster by car. In fact there were only a few dozen people in the drizzled Mall.

* * *

A U. S. 'Stranger' Watches Pageantry

But, oddly enough, the scene in the House of Lords was more resplendent than ever. Where else but in London would you see white shoulders and diamond tiaras at 11 o'clock in the morning? The peeresses really went to town.

As for the peers I only saw one who was not attired in the glory of Solomon. Nor did the corps diplomatique let the show down. They were either in uniform or evening dress with full decorations and looked as if they were waiting for Prince Danilo to arrive to Lehar's music.

In the Strangers' Gallery was Robert Wagner, the Mayor of New York, a youngish, pleasing American who possesses an air of interested calm. If he had not taken to politics he might have done well on the films.

I would have liked to read his thoughts. The Americans are the least pageanted people in the world, and here he was gazing on such splendor as even ancient Rome could not have excelled.

But he seemed genuinely puzzled when Prime Minister Eden, together with Mr. Speaker and a few other M.P.s in mufti, were graciously allowed to stand at the Barrier looking like urchins gazing at the glory of the rich.

The Queen was in excellent voice—she is acquiring some lower notes—and she read a long speech without the aid of microphones; every word could be heard.

* * *

The Old Warrior Was An Absentee

But one figure was missing—Sir Winston Churchill. The previous day when M.P.s were preparing to take the oath he came in and sat down in his old seat below the gangway where he fought his battles against Baldwin and Chamberlain.

The House gave him a tremendous reception and when the Speaker announced that the signing-on process would commence, Mr. Attlee made a charming gesture. He crossed the floor of the House and led Churchill to the table as the supreme figure of Parliament.

The M.P.s cheered like mad and the people in the gallery broke into applause against all the rules. The attendants tried to shush them but I never saw so half-hearted an attempt at enforcing discipline.

Yet the old warrior looked sad and rather feeble. We did not learn until a little later that his wife had fallen that morning on the stairway at her house and broken her wrist.

* * *

Blow For Blow By The New Leader

The next day the long debate on the Queen's Speech began—the Speech, of course, being the Government's outline of legislation to come. After the usual historic pleasantries Anthony Eden rose to make his first full dress speech as Prime Minister.

The Socialists gave him a pretty tough time but Eden handed them some skilful wallops. Naturally the Opposition were attacking him on his failure to settle the railway strike, and declaring that his attempt to intervene had merely made the strikers more stubborn.

But Eden proved a tough customer. Later in the evening he addressed the Tory members in secret, but that is customary after an election.

One thing, however, Eden really regrets. Before he succeeded to the Premiership he had apparently accepted an invitation to open this year's Canadian National Exhibition. Eden has a special affection for Canada because his airman son (who was killed in action) did his Air Force training in Alberta.

But as Prime Minister he could not visit Canada without going to Washington and he would be away too long. Just to put Vancouver and Montreal in their proper place I can inform you that Eden likes Toronto.

Apparently Churchill has no intention of embarrassing his successor by attending the Commons too frequently. It is a pity that he did not take a dukedom and establish himself as the supreme figure in the House of Lords. He is said to be working on another book, but that will not satisfy his lust for battle.

* * *

Bevan The Rebel Changes Roles

Let us now turn to another spectacular political figure. Having split the Socialist Party, having defied Attlee and having ensured a Tory victory Aneurin Bevan has now emerged as the Great Gentleman of the Socialist Party.

The Parliamentary Socialists, as is the custom after an election, met in secret this week at Westminster. Mr. Attlee announced his intention of not standing again for leadership. At 72 years of age he felt that the post should be filled by a younger man.

With a cry from his heart Bevan urged him to reconsider his decision. "Clem, you must lead us!" was the burden of his passionate appeal.

Forgive and forget . . . dear old pals . . . it's always fair weather when good fellows get together.

Bevan won the day. So now let me introduce to you the reinvigorated, reassuring leader of the Socialist Party—Clement Attlee, saved by the selfless devotion of that Tribune of the people—Aneurin Bevan.

* * *

Stock Prices Climb Despite Strikes

And now once more we come to that rollicking fun fair known as the London Stock Exchange. The railway strike (at the moment of writing) is still on. The dock strikes are spreading. Industry is being damaged and our exports are falling.

If there ever was a time to sell your shares it is now. At least that is what the wise ones say. But up go the prices! Steel, oil, paper, breweries, stores—almost everything but newspapers. Toss your money on the table, for this is a game of roulette where nearly every number is a winner.

I mentioned that the newspapers are not too happy, but this also applies to the magazines. Probably 75% of the magazine output is sold on the railway station bookstalls. Nor do the bookstalls order on sale or return. They have to purchase outright.

So orders are dropping and the magazines are not happy. They had such a joyful time during the newspaper strike and now they are printing for a public that does not turn up.

Such is life in Merrie England at this hour. From my window it looks as if we are going to have snow.

Public Auto Taste Swings To Higher-Priced Luxuries

Automakers and dealers are not only producing and selling more cars — they're producing and selling more cars with all the trimmings and fancier price tags. People are tending to buy the more costly cars; and they're putting more optional equipment —extras—on them.

Almost every auto industry executive and dealer agrees that the trend exists. And a scattering of figures now is available to prove it.

For example:

Of every 100 cars sold by General Motors of Canada in the sales-happy days of 1953, exactly 18.4 were Buicks, Oldsmobiles and Cadillacs. Of every 100 GM sales in the first 130 days of 1955, Buick, Olds and Cadillac accounted for 30.5.

Thus the three more expensive GM lines boosted their share of the market for GM cars by about 66%.

Compare the first 130 days of 1955 with the same period in 1953.

GM sales rose 23.4%. But sales of Chevrolets in Canada jumped only 12.17%, Pontiacs 24.91%, Cadillacs 20.95%. Olds and Buick continued to improve their relative positions with percentage hikes of 40.95 and 45.28 respectively.

To May 10 this year, this has been the percentage breakdown of GM's share of the new car market (1953 in brackets):

Chevrolet, 43.5 (52.3); Pontiac, 26.1 (29.5); Olds, 11.3 (6.7); Buick, 16.8 (9.7); Cadillac, 2.4 (2.0).

Totals: To May 10, GM sold 65,591 new cars, compared with 53,224 in the same period last year, almost 150,000 in all of 1953.

At first glance, available Chrysler figures seem to fall into no pattern.

In the first four months, Chrysler Corp. sales in Canada rose 62.5%. Breaking it down, Plymouth was up 56.8%, Dodge 70.7%, DeSoto 41.4%, Chrysler 62.1%. Plymouth and Dodge are the two lower-priced cars.

Complicating the picture here is that Chrysler has been driving particularly hard for a larger share of the market and naturally has pushed the lower-priced volume models hardest.

Considering this and, also, that Plymouth is regarded by the public as the low-priced Chrysler product, the trend to costlier cars appears to exist in Chrysler sales, too. But it's masked.

There are no Ford figures available. In the first four months Ford's share of the market (last year: 25%) got a wallop from the serious production lag caused by the long mid-winter strike.

That's part — maybe all — of the reason for Ford's smaller share of the market. And it's the reason that Ford doesn't want to talk about its sales right now.

Nevertheless, Ford experience reportedly bears out the theory that people are buying better cars with more extras.

Why The Trend?

Why the obsession with automatic transmission and power equipment? They are easy on the driver, that's true. But there's another dollars-and-cents reason.

In a few years, a car without a hatful of extras will be an oddity, won't be worth too much on the trade-in market.

Automatic transmissions will be in almost 100% of all new cars within a few years, says one auto industry observer.

They're already in about two thirds of this year's new cars, an increase of about 17% from last year. Power brakes — still a "luxury" extra — are on about 18% more new cars this year.

Turn indicators this year are almost standard; window-cleaners, which squirt liquid on the windshield, are going big. Heaters, of course, are hardly an extra in Canada.

U. S. experience bears out Canadian. A compilation of new car registrations in the vast U. S. market for the early part of this year shows five low-priced cars commanding 63% of the market compared with 67% last year.

Six higher-priced autos have 32% now instead of 26%.

How come? The average consumer hasn't increased his income by much during the past two years.

Part of the reason probably is lower car prices. For the same price he paid two years ago, the careful car buyer can get a better car or the same car with more extras.

Another is the increasing visible contrast between stripped-down standards and the same car with a little extra chrome and a fancier paint job.

That bare-bones standard is a pretty drab article beside its bejeweled sister. The two may be sisters under the skin, but outward appearance is a key selling point.

In coming seasons, the industry expects continuance of present consumer trends.

The near-certain result: More and more extras, heavier selling emphasis on higher-priced cars or on de luxe models of the low-priced lines. That's what the consumer seems to want.

Industrial Growth

Pharmacy Lab

Tenders have been called for a three-unit, 150,000-sq.-ft. pharmaceutical manufacturing laboratory for Parke Davis & Co. at Brockville, Ont. The project, planned for completion in mid-1956, is expected to cost more than $2 millions for plant and equipment. The company will continue to operate its plant at Walkerville, Ont., employing 200 men, until the new laboratories are completed.

* * *

Gas Meters

Construction of a 35,000-sq.-ft. head office and factory for Canadian Meter Co. has begun at Milton, Ont. The plant, on a 16-acre site, will manufacture gas meters and component parts. J. W. Osler, vice-president and general manager, said the move from the present Hamilton site is expected to be made this fall. Canadian Meter is a subsidiary of American Meter Co. of Philadelphia.

* * *

Automotive Equipment

Allen Electric & Equipment Co. of Kalamazoo, Mich., has announced plans to open a branch plant in Windsor of the manufacture and assembly of automotive motor analyzers and testing equipment. J. M. Herdegen has been appointed Canadian manager.

* * *

Porcelain Products

The $500,000 Graham Bell Ltd. plant at Streetsville, Ont., is scheduled to go into production in the near future following completion of a large general purpose porcelain enameling furnace.

The company, associated with the Bettinger Corp. of Waltham, Mass., will supply porcelain enameled steel panels, bathtubs, sinks, tanks and other porcelain products.

* * *

Refrigerated Warehouse

The Ayr Storage (Ontario) Ltd., refrigerated warehouse will be opened in Toronto in July. Built at a cost of several millions, the warehouse will have 1,700,000 cu. ft. of refrigerated space for freezing, storage and distribution of frozen foods.

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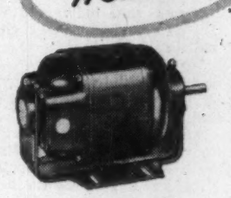

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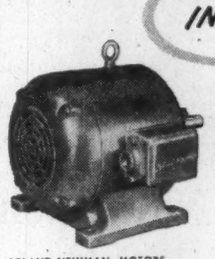

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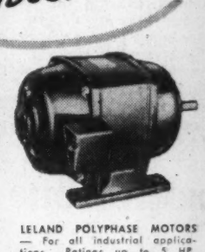

LELAND POLYPHASE MOTORS — For all industrial applications. Ratings up to 5 HP. Wide range of torques, speeds and mountings.

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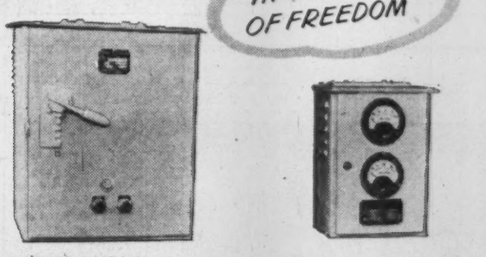

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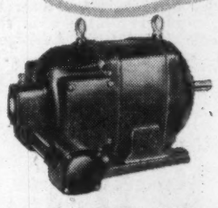

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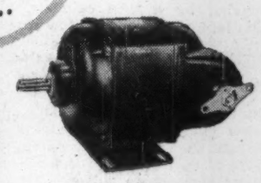

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The special and general purpose motors shown and many other types not illustrated, have made Leland an outstanding example of creative engineering. Our engineers have designed thousands of special motors over the past quarter century, each suited to a specific use. These designs now provide ready answers to many current problems, enabling Leland to furnish special motors with maximum speed and economy.

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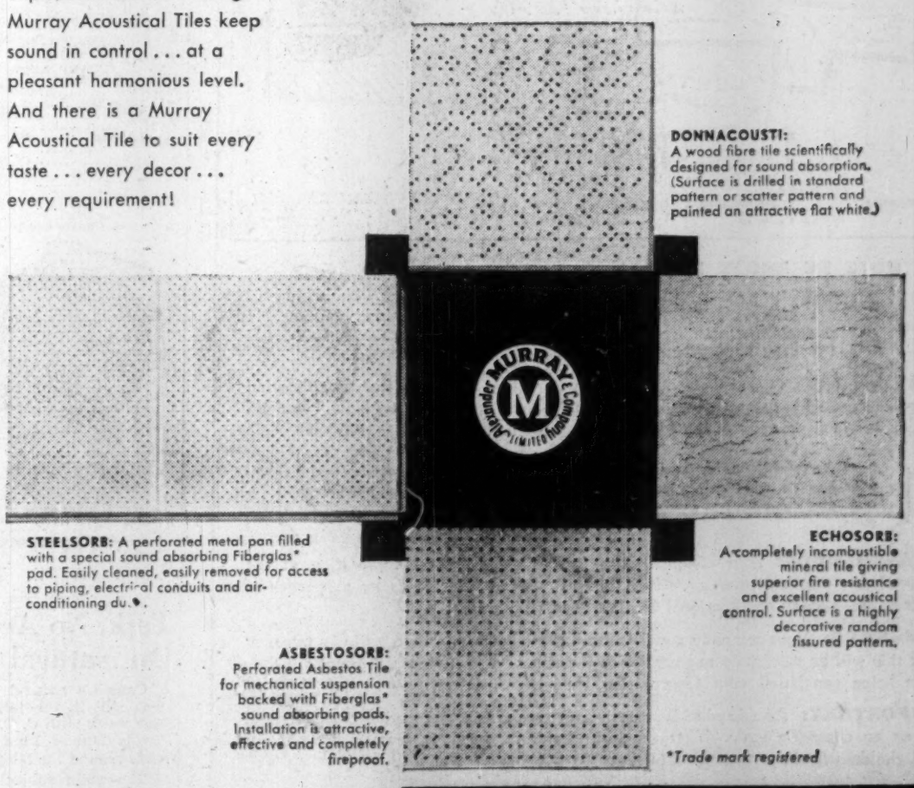

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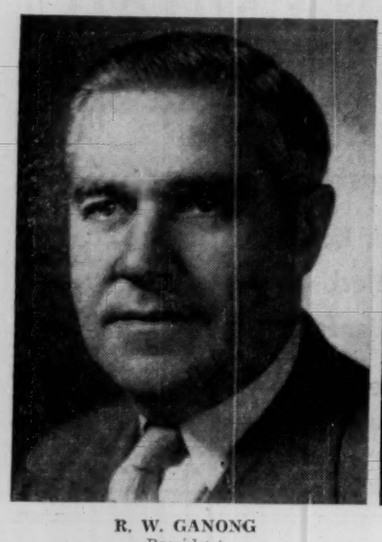

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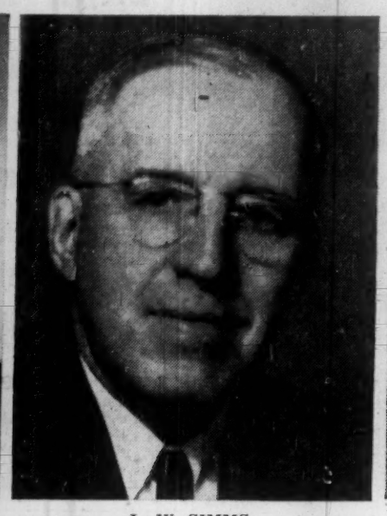

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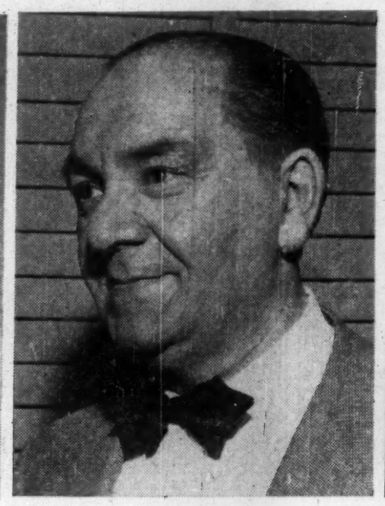

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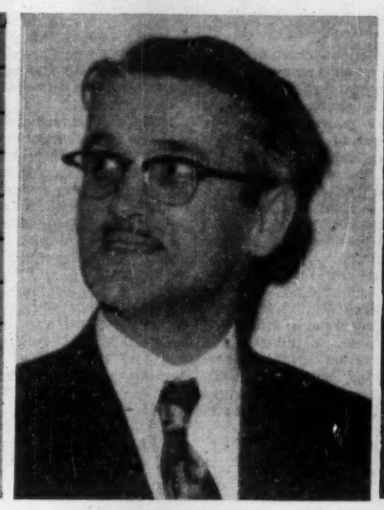


A. ARSENAULT
Sec. Treas.

NELSON MANN
Exec. manager

They're Charting Brighter Future For Maritimes

Broad Economic Attack Under Way on East Coast In 'Operation Bootstrap'

By HARLEY POTTER

The Atlantic Provinces Economic Council can be the most important thing that has happened in the Maritimes since Confederation.

That's the opinion of R. Whidden Ganong, the man who serves as the five-months' old organization's first president.

Ganong and 20 other businessmen and officials from the three mainland provinces are rolling up their sleeves, with a group of Newfoundlanders, for a job that's got everybody talking from Sydney to Madawaska County, from Yarmouth to Tignish.

It's a concerted, systematic attack on the challenge of economic development by the people themselves, not just the governments. It's an "operation bootstrap."

They plan to find out just what makes the Atlantic economy tick, what forces are shaping its long-term future as well as its present. They plan to uncover and promote ways of causing growth. They see a need to co-ordinate the activities of all organizations, agencies and individuals who are now working for the good of the region.

The idea of APEC—you pronounce the initials like a word—germinated in the Maritime Provinces Board of Trade, probably in the mind of Dr. C. H. Blakeney of Moncton. Blakeney is a former minister of education for New Brunswick.

G. G. "Gerry" Anglin, head of a Saint John bakery, was president of the Maritime Board of Trade at the time, and with his support the Board passed a recommendation for the establishment of APEC.

They took for their inspiration the New England Council.

New England is a kindred land to the Maritimes in a number of ways. Both are on the fringe of a westward growing country; both have known days of great relative importance in the national economies. Problems of declining industries have haunted both.

The achievements of the New England Council, on which APEC is modeled, give some idea of the kind of thing APEC hopes to do.

The New England Council's accomplishments as an initiator, sponsor or active co-operator include:

—The development credit corporations of several states.

—Various local industrial foundations.

—A study of New England power.

—New England Senatorial Committee.

—Reorganization of the Port of Boston Commission.

—A tourist accommodation management course.

—New England Conference of Agricultural Commissioners.

—The New England Textile Committee.

—The New England Governors' Conference.

Main Weapon Our Faith

"Their results, such as a better agricultural, industrial tourist effort—well, almost every part of economic life—with its corresponding upgrading of the economy, we are capable of achieving," declares APEC's executive manager Nelson O. Mann.

"To ask how at this moment is unfair. If we had known, we might have done something about it long ago. Our main weapon is our faith—faith that we are capable of solving a problem using the same sort of methods by which other difficult problems have been solved."

New England did have a bigger and stronger economy to start with. APEC may not be able to hope for as much as the New England council did; its members will certainly have to work the harder, Mann warns.

The resolution which the Maritimes Provinces Board of Trade passed in October, 1953, asked for a survey of the Atlantic Provinces and for each of the four governments to appoint three representatives to APEC. The 12 representatives, named after consulting with the board, would then draw up plans for APEC's future existence. They would find out just how big a job was involved; they would lay plans for a survey of the economy; see how APEC could be financed.

The three premiers and a representative of the Newfoundland Government met with the Maritime Provinces Board of Trade and decided to go ahead with the plan.

The late premier of Nova Scotia, Angus L. Macdonald, was one of the greatest supporters of the idea. He himself selected the three initial Nova Scotia representatives.

An organization meeting was held at Halifax last September and the Atlantic Provinces Economic Council was actually started.

This January "the 12" met at Moncton and chose their executive manager, Nelson Mann, then deputy minister of Trade and Industry of Nova Scotia.

The directors and officers were elected, and a budget of $26,000 was voted.

"Your problem will be to find something concrete to do," some people told Nelson Mann. The problem is the other way around, though, he finds: not to take on too many jobs right away.

Four Immediate Musts

The council sees its work as falling into immediate and long-term departments. The immediate program is in the hands of four committees, a seminar at the University of New Brunswick will launch the long-term program this fall.

The directors about a month ago tackled the difficult job of deciding what to do first. There are many things the council is interested in, but the members realize they must not take on more work than they can handle. They have only one paid employee so far, and they don't want to overload him.

At first they thought two or three committees should be the limit. But they found they couldn't reduce the "must" topics below four. And those four for immediate attention were: Trade, Power, Tourism, Agriculture. (There is a fifth committee devoted to membership.)

Atlantic Provinces Trade Committee's chairman E. D. Brown runs the new $6 million gypsum development near Halifax and at Dartmouth. He and his co-workers will deal with interprovincial trade. Brown feels it is not good enough to say that Atlantic provinces people should support their own industries just because they are their own. Price and quality must get full consideration.

Many people complain that products made in the area don't get the support of Maritime consumers. Why not? The committee will do a sleuthing job on just what's behind this situation. Then it will see if it is possible to recommend some definite action. Brown, who exports all his companies' products down the U. S. coast, will also lead an enquiry into Atlantic provinces export trade both inside and outside Canada.

The Arthur D. Little Inc. report on industrial development in Nova Scotia hails APEC as the first major step in overcoming "individualism of business and vocational patterns." "This council is recognition of the fact that business has a vital role to play in industrial development."

The consulting engineers retained by the Nova Scotia Government recommended that APEC make a detailed study of commodities imported and produced in the region.

The Power Committee, headed by R. E. Tweeddale, assistant chief engineer for the New Brunswick Electric Power Commission, will tackle the Christie report. The Christie report is the work of an outstanding American authority on power who did a study of the Maritime power situation for the Dominion Coal Board.

He recommended unification of the power systems of New Brunswick and Nova Scotia. The cheapest way to get power for the two provinces, he said, was to get loads big enough to justify generating stations at coal mine pitheads with long transmission systems. Nova Scotia should get the benefit of New Brunswick's hydro-electric power too.

The power committee will start by pooling all known facts about what it would cost to produce power in different ways.

Tourist committee chairman C. J. Morrow brings a fresh approach to the tourist industry, and an enviable record of achievement in other fields. He is president of National Sea Products, which is doing new things in promoting frozen seafood in inland Canada.

Morrow has traveled a great deal and observed how other people set things up for the traveler. He has wanted an opportunity for some time to set his ideas to work for a better Atlantic area tourist industry.

Leo Dolan, director of the Canadian Government Travel Bureau, at Ottawa, has given his enthusiastic support. "The opportunity for developing the tourist trade is so great within the Maritime provinces that I am sure a little co-operation and some forward thinking would be of tremendous value," he wrote.

Committee on agriculture and marketing. Both the president and secretary of APEC are on this important committee. Though R. Whidden Ganong, the chairman, is head of a candy manufacturing firm, he has experience and a great interest in farming. He owns a farm where he has raised chickens and produced vegetables.

Last year he realized $300 an acre from a crop of carrots, as a demonstration to farmers in his district. He designed and built special equipment for seeding carrots which others will be able to use if they will join him in his crusade to produce more of New Brunswick's food at home. Alphonse Arsenault, secretary of the New Brunswick Federation of Agriculture is also on the committee as is Lincoln Dewar, secretary of the Prince Edward Island Federation of Agriculture.

Plan For the Future

In APEC's long-term program, self education, education of businessmen and the public, will play a large part in early activities.

The directors will get off to a vigorous start with a seminar this fall at Fredericton. It will meet Sept. 13, 14 and 15 at the University or New Brunswick to study "The plan of the Atlantic provinces within the Canadian economy." It will include a brief review of the original concept of Canada's economy, and the incidence and impact of changes since 1867. But the main topics will be "The Atlantic provinces in the Canadian economy, 1955," and "A proposed program for the economic development of the Atlantic provinces."

Maritimers are sometimes accused of living to themselves, in their own community, in their own province. They certainly are individualistic.

But getting together, and thinking together about the Maritime region as a whole is the essence of the APEC leaders' approach to their problems.

A partial preview of the seminar will take place in Charlottetown on June 26-29 when the Atlantic Regional Conference on Adult Education meets. The conference has invited many of APEC's directors to take part in the program.

Because the diffusion of progressive, creative thinking about the region's problems will be such a large part of APEC's task, the Conference on Adult Education's co-operation will be most important.

As a first and important job of investigation, APEC is asking the Dominion Bureau of Statistics to compile figures on the quantity of consumer items and other products coming into the Atlantic provinces. They want facts on specific items, so they can see whether such things could be produced in the region, or find why they are imported if also made in the region.

APEC is also compiling a mailing list of all businesses and important organizations and individuals in the Atlantic Provinces. The list will be tabulated as to the interest the person or company has. Names of people outside the region, in business, organizations, universities and government, will also be compiled.

Profit From Experience

A library of documents has been started. APEC will have as complete a record as possible of everything that has been done in development effort in the region. It will keep the record up to date, so the future may profit by the experience of the present.

"We know too little about our economic potential," says President Ganong. "There is a great deal of generalities, with little factual data. We need facts both to assess our real assets and to find economically feasible solutions to our problems."

Any person or company in the Atlantic Provinces may join APEC, from such fields as agriculture, banking and investments, construction, fisheries, insurance, labor, lumbering, manufacturing, mining, professions, public utilities, tourist business, transportation, universities, wholesale and retail trade.

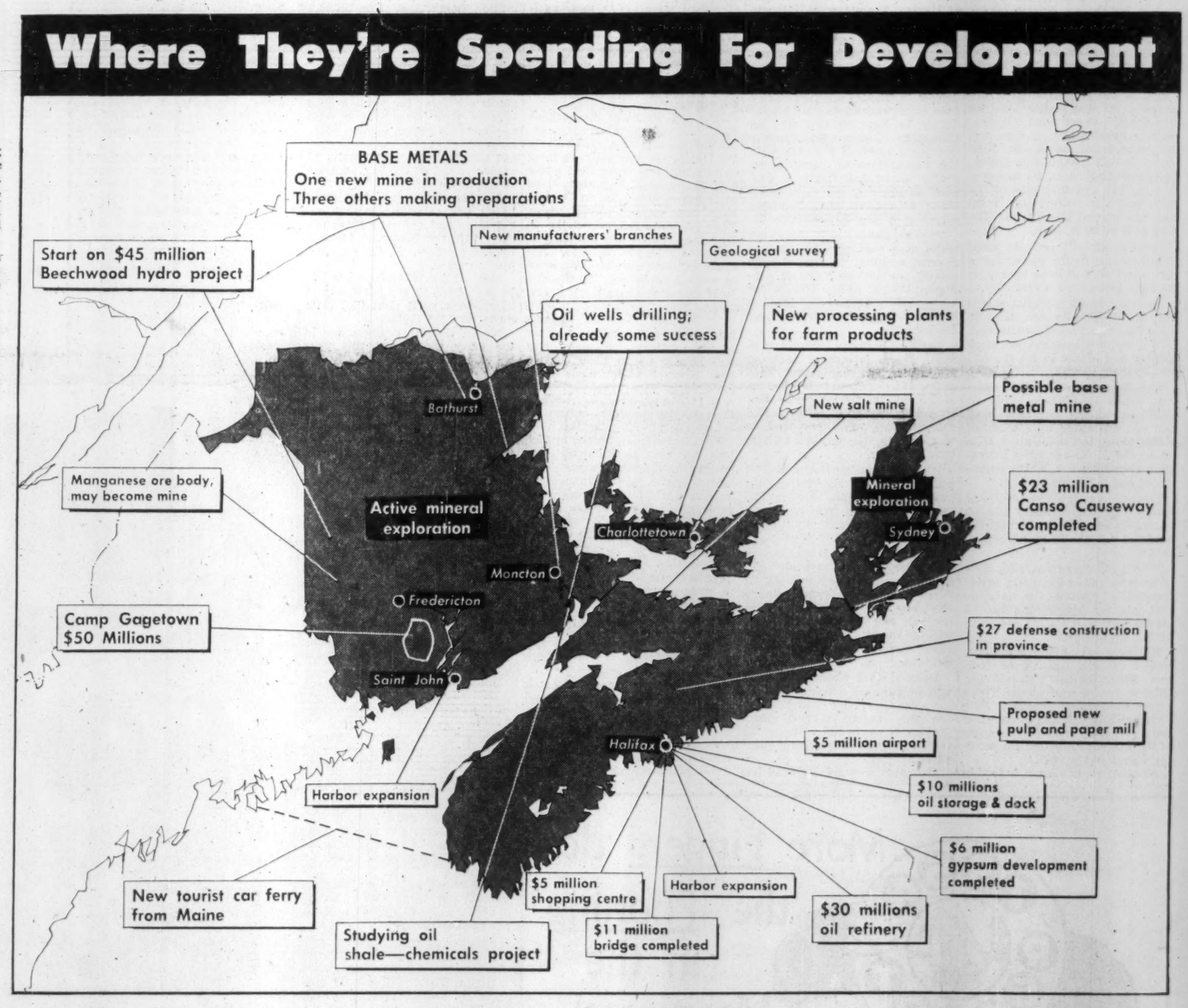
The three Maritime governments are lending their moral but not their financial support. As a self-help effort for the region, APEC is operating on the self-help principle on its own money problems—it will depend on members' fees.

Government officials who serve as directors or committee members are not spokesmen of their administrations. For one thing, they are civil servants who normally have no policy role. But in APEC they will bring their personal experience and knowledge of the economy as seen from government offices to the making of the council's own policies. They will form a valuable liaison with governments, too.

The council will need the best brains available, says President Ganong. "It will require patience, for immediate or spectacular results are not possible."

"It is a long term project, but with the support of all our people it can be the biggest forward step since Confederation."

Where They're Spending For Development



Opportunity and Optimism Set Stage For Growth Here

Opportunity and optimism.

Those are the words that sum up the Maritime provinces today. The opportunities are two kinds: those that involve new industry, newly found resources, and those that mean a fresh approach to resources on which Maritimers have always relied.

The "new" resources are the mineral discoveries, and the new technologies that may be brought to bear on them. Base metals are the biggest thing.

The old resources, about which new things are being discovered too, are the forests, the fish and the farms. And even the scenery, which through tourism is big business in the seaside provinces.

Throughout the piece, there are new situations, new knowledge about situations, and perhaps more optimism than ever before.

The Maritimes are expanding. Capital investment will rise by 12% this year, it's estimated. Last year it rose 4%.

Retail sales are climbing above last year levels.

Most of the region has not been so prosperous before, though some parts have local difficulties.

There's much long-range planning and development, both in government and business.

Construction volume in the three provinces is expected to hit $364 millions this year. That will be 16% more than last year. New housing should reach about $60 millions.

The big jobs are Camp Gagetown and the Beechwood hydro project, but there are many others in the million-plus class. The Department of National Defense has a program of $27 millions over the next few years for Nova Scotia alone.

One of the biggest engineering projects in the history of the Maritimes, Beechwood hydro-electric development is now under construction on the St. John River. It will include two 45,000-hp. generating units for completion in 1957. Another unit of the same size is to follow later. Total cost may exceed $45 millions. The dam will be 60-ft. high.

Beechwood will provide some cost-lowering hydro power for a province that will have to rely on thermal generation eventually.

However, there is a total potential of 720,000 hp. on the St. John River, including Beechwood. It will require co-operation from Quebec and Maine to get the full possibilities, though.

The St. John is 424 miles long, with a drainage area of 23,000 sq. miles. The total head that could be used by a series of plants along the main river adds up to 550 ft. Other New Brunswick rivers have a hydro potential of about 170,000 hp.

The total available undeveloped hydro potential of about 890,000 hp. would be sufficient to meet the needs of an electro-metallurgical industry.

Who'll get the smelters for New Brunswick's big base metal developments is perhaps the question that has the biggest number of people there speculating and wondering these days.

It'll be a long while before the smelter is built, but it's the decision that's being watched for. Quebec has offered cheap hydro across the Bay of Chaleur. New Brunswick has its big Beechwood job under way, but will need most of the initial production for peaking its normal growth.

Alternative, of course, is to ship concentrates to smelters outside Canada.

But New Brunswickers are confident that the advantages of tidewater shipping of the final product will be pretty persuasive. Also they're making an all-out try for power at the right price for metallurgical industries.

Actually, the refining may be by chemical processes.

About $4 millions will be spent in New Brunswick this year on mining exploration, development and construction.

The Boylen group of companies will spend about $2¼ millions. New Brunswick Mining & Smelting is spending about $1.5 millions a year. It plans to put two big base metal mines in production with combined output of 4,000-5,000 tons of ore a day. This company may invest $20 millions to $25 millions eventually.

Its plans are held up till it becomes clear what production processes it will use.

Three other base metal prospects look as if they may make mines. American Metal Co. proposes a 1,500-ton daily capacity concentrator in the Little River Sector Northwest of Newcastle. Anacon Lead Mines will complete a shaft to the 1,500-ft. level on its New Lairder property by the end of this year.

Keymet has been stockpiling out and has an exploration program under way.

The Burnt Hill tungsten property has been crushing ore for some time now. A uranium find at Harvey has attracted interest.

On Cape Breton Island, a mining company is driving a tunnel into the side of a hill to explore further an ore body containing zinc, germanium and cadmium.

New methods are presenting new opportunities for an oil industry in New Brunswick. An Oklahoma company this summer is drilling south of Moncton with the expectation of using a recently introduced "fracture process" to open up the tight sandstone formations that handicap oil wells in New Brunswick.

The company will drill six wells at a cost of $750,000 over several months. It has already scored one success: a well producing 108 bbl. daily. Though not a big well by Alberta standards, it is bigger than others drilled near Moncton.

The coal industry isn't doing so well. Dosco is cutting back its $13-million mechanization program. It was geared to production of 7.5 million tons a year. But with dieselization of railways and competition from other fuel, it was able to sell only 4.2 million tons last year.

It's also shutting down No. 1B colliery unless something unexpected develops. About 725 miners will be out of work. There's no room for them in other mines either.

But Dosco is launching a revolutionary new downdraught furnace, completely automatic. It burns fuel with extraordinary efficiency and puts ashes out in the ash can with an automatic vacuum device. It's hoped it will offer serious competition to oil burners.

Dosco's steel plant at Sydney will be running six days a week for some time. Big export orders are the reason: biggest, from Mexico, is worth $25 millions; it's the largest single order ever placed at Sydney.

Canadian demand for steel has picked up too from the minor recession of last year.

Production costs are still high, and there's still the handicap of shipping to distant central Canadian markets.

Dosco will invest about $9 millions on capital account this year.

Situation of New Brunswick's small coal mining industry contrasts with Nova Scotia's. Future of the Minto field in New Brunswick never looked brighter, it's claimed. Payroll is around $3 millions. Camp Gagetown will be a big user; pulp and paper mills are important customers.

One of the largest gypsum companies in the United States has completed a $6-million quarry and dock development and is beginning to ship the product to its U. S. seaboard plants. The quarry is some 30 miles north of Halifax, and the docks at Dartmouth, across the harbor from Halifax. The deposit is the largest commercially pure one in North America, it's believed.

"Everybody's looking for gypsum," a mines official reports. Nova Scotia produces 80% of the gypsum mined in Canada, and serves a large U.S. market.

A gypsum products plant from central Canada might result from the new quarry later on, though.

The agricultural revolution came before the industrial revolution in Europe. Development of agriculture preceded industry in the industrial areas of North America. Though growing industrially, the Maritimes are paying increased attention to their agricultural potential. They aim to produce more of the food they eat, and to increase their exports of special items. There's increasing awareness that the farms are a wide-open opportunity to expand the economy.

Here are the plans the agricultural "revolutionists" are laying:

Immigrant groups, particularly the Dutch, are interested in farm opportunities in Nova Scotia and New Brunswick. Representatives of Dutch communities in Ontario have been paying official visits. They see more for their dollar in land there. They see the kind of agriculture they're used to. Because of their special experience in market gardening, it's thought local farmers might learn a few lessons from them.

In Prince Edward Island, farmers are building a new chicken eviscerating plant that will handle up to 3,000 birds a day. (Over 1 million birds if the plant could keep going steady all year.) The province will have to increase its poultry output to utilize the plant's potential.

P. E. I. and Nova Scotia, in fact, lead all Canada in quality of poultry produced, measured by official grades. Their products are exported to markets as far away as South America. Nova Scotia and New Brunswick farmers claim the highest grade eggs in Canada.

Marketing facilities are a big need in some other products. Also, in some parts, grading for vegetables and meat.

Lancaster Board of Trade is leading the St. John River Valley drive for more home-grown produce. Grading, it found, is one of the big needs.

Recent rises in potato prices have greatly benefitted Prince Edward Island. Retailers as well as farmers are happy about it.

Federal agriculturists have just pronounced the New Brunswick-developed Keswick potato blight resistant. It's coming into wider use in that province.

Another allotment of British funds for Canadian apples is expected this year, enough for one million boxes, the same as last year.

It won't be known till late in the year whether the allotment will actually be forthcoming.

The domestic market for apples is looking up. The big chain stores are doing the apple a good turn by their promotion of fruit packaged in polyethelyene bags. Delivery of apples from cold storage almost daily, with variety of apple marked on the bag, all helps to widen consumption.

In lumber, production will likely not catch up with commitments and domestic needs till early fall, the Maritime Lumber Bureau predicts. There is no surplus on hand.

Most of the 1954 carryover had been shipped by the beginning of May and a good start had been made on 1955 deliveries.

Maritime lumber production in the early months of this year appears to be substantially increased over the same period of last year. The Nova Scotia cut was sharply up because of hurricane windfalls and good weather but New Brunswick production was down slightly because of extremely heavy snow fall in most areas.

The Seaway may be of considerable help to the Maritime lumber industry, giving it ready access to central Canadian and U. S. markets by water. It could hurt the coal industry.

But Maritimers are not talking against the Seaway. They believe that if more goods are imported by water from overseas to Central Canada, their Maritime ports will get more business too when the new trade has to use them during the period St. Lawrence ports are icebound.

In any case, that it helps Canada grow and will benefit everybody in the long run, is a widely held Maritime opinion.

There's real concern though that the Royal Commission on Coastal Shipping might recommend banning of all but Canadian bottoms from coastal trade. Such a move would hurt the Maritimes, and hinder its trade with Newfoundland; it would take away any benefits it may be found later the Seaway could confer on the region.

Population of the Greater Fredericton area will almost double to 40,000 or so by 1960, it's predicted.

The army camp plus a new town of 10,000 people — married servicemen and families — are going up. They'll be entirely complete by end of 1957, in partial operation before that. Even this summer 10,000 troops are training under canvas, and spending in Saint John and Fredericton.

The construction phase has done wonders for employment. A 600-employee textile mill that closed up has hardly been missed, in part because of Gagetown. Construction wages are good: postmaster's job at the campsite was still vacant at last word — pay's too low.

The $23-million Canso Causeway has been opened, a bit early because of a fire on a ferry boat. It's already booming travel to Cape Breton Island, which used to be isolated somewhat. The island can now develop as freely as the mainland, accessible by rail and road. There's a problem though because ferry employees in the two former terminal communities are out of work.

The $11-million Halifax bridge is the highlight of that city's life right now; it's stimulating residential and other development across the harbor in Dartmouth. A big shopping centre, Nova Scotia's first, is being built at the Dartmouth approach to the bridge.

The $6-million gypsum development will double Halifax harbor's tonnage shipments when it is going for a full year. It will be shipping only the latter part of this year, as it is only just now completed.

Both Halifax and Saint John have harbor expansion programs totaling several millions. Saint John's getting $10 millions of lower cost housing.

Maritime Governments are seeking a new deal on tax rentals. They believe payments should be based on taxpaying ability as well as on present considerations. New Brunswick has suggested that if that principle is not accepted, the Federal Government should at least help provinces like itself in financing of basic development projects like Beechwood.

Canadians wherever they live are entitled to a certain standard of services, they argue. It's in the long-term interest of people in other parts of the country to help Maritime development, they say. More income in the region means bigger markets for products from further west; everybody prospers together.

That's the way they're thinking about their own area too. The Atlantic Economic Council is just part of the swing to regional thinking, though its main expression.

MINES, as part of the economic rebirth of Canada's Maritime Provinces, are making some of the biggest news right now in both Nova Scotia and New Brunswick. Meanwhile, the big search continues. Above, mine superintendent James Plumadore points out ore structure at Burnt Hill Tungsten Mines, 65 miles north of Fredericton.

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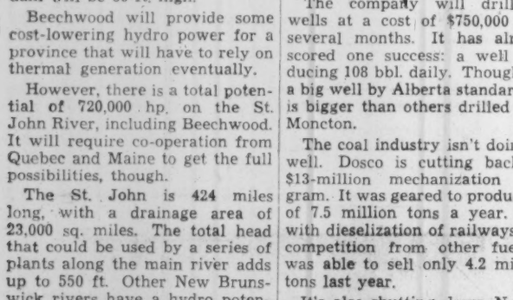


More Fingers do the 'Phoning in the Maritimes!

76.6% OF NOVA SCOTIA'S TELEPHONES ARE NOW DIAL-OPERATED.

In addition operator toll dialing was further expanded during the year, primarily by the extension of the telephone network reached through Boston. Toll dialing was also established between Nova Scotia and New Brunswick.

OTHER HIGHLIGHTS OF OPERATIONS DURING LAST YEAR!

EXPENDITURES
Continued expansion and improvement of plant and facilities has increased the total plant investment to $39,979,009, an average plant investment per telephone of $317.17.

FINANCING
No outside financing was necessary during 1954. The Company's requirements, however, suggest financing for 1955.

TELEPHONES
As of December 31, 1954, the telephones in service numbered 126,048, an increase of 4.15% during the year.

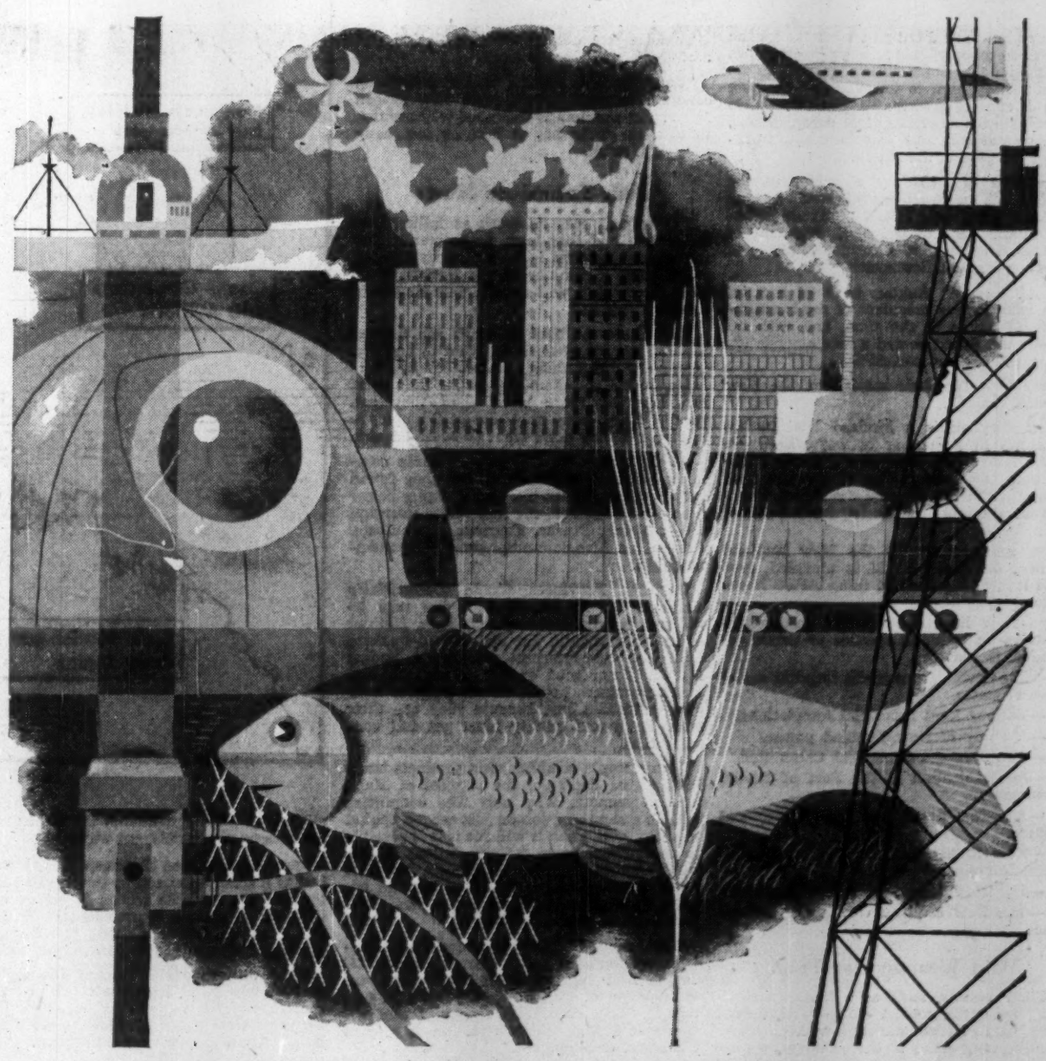
REVENUE and EXPENSE
Operating revenue was up 7.51% and operating expense up 7.55% over 1953.

TAXES
Taxes amounted to $1,674,892, an increase of 9.48% over 1953. These taxes amounted to $13.29 per telephone.

MICROWAVE RADIO
Interprovincial microwave circuits between Halifax and Saint John were increased by 23, and between Digby and Saint John by 3. At the year end there was a total of 73 out-of-Province radio circuits.

MARITIMES-NEWFOUNDLAND
Early in the year the Maritime route was established as an alternate route for Trans-Canada and United States traffic. All types of traffic over this route have expanded materially since that time.

MARITIME TELEGRAPH & TELEPHONE COMPANY LIMITED



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57-55

Mines Making New Future For N. B.

Mining is one of the leading basic industries of the Maritime provinces which appears to hold much promise for the future.

New Brunswick — never really a large mineral producer despite its worthwhile output of coal — is on the threshold of becoming a major producer of base metals (lead, zinc, copper, silver) and possibly manganese. Tungsten output has recently been added to the mineral production base.

Nova Scotia, long a substantial coal producer, is hoping that the economic attrition with which this industry is being afflicted may be offset by further base metal production arising out of current exploration.

Prince Edward Island has yet to "win its wings" as a mineral producer but there are possibilities for oil which are not being ignored.

Let's take a look at what's happening in New Brunswick and Nova Scotia:

This year an estimated $4 millions will be spent on expansion of the mining industry in New Brunswick.

It will be distributed in wages to miners, construction workers diamond drill crews; for purchase of power, supplies and heavy equipment.

Altogether it will have a most stimulating effect on the economy of the Bathurst-Newcastle section where New Brunswick is seeing muscle put on the framework of its new base metal industry.

But mine managements, and engineers, are quick to point out that the full benefits of newly discovered base metal riches have yet to be experienced. The big production plans are yet to be built, and the great related chemical industry is still the subject of research.

The fact that production plans haven't blossomed as quickly as was originally hoped has no doubt occasioned some pessimism on the part of people not fully acquainted with the facts. Actually, the delay has arisen from the desire of top management to await development of the most efficient possible production plant based on advanced technical know-how involving chemical processing, rather than proceed with relatively primitive facilities.

While lead, zinc and copper resources of the Bathurst and Newcastle district have undoubtedly been the main focus of interest in the mining era of New Brunswick, other interesting possibilities have been emerging as well.

Burnt Hill Tungsten Mines has installed new equipment in its tungsten mill in York County, hopes to step up to 150 tons.

Immense tonnages of low-grade manganese-bearing material have been revealed in the Woodstock sector by Stratmat. It is believed that a new processing technique will permit utilization of these resources and that a major production plant may be established.

Another large manganese occurrence has been established by Canadian Manganese Mining Corp. five miles west of Bathurst in Gloucester county. Again research work has indicated good possibilities for eventual utilization even though grade is well below that usually regarded as ore.

Uranium Hopes

Uranium discoveries have been made in the Harvey and other areas of New Brunswick. While none has yet been established as of definitely commercial character, this metal has interesting possibilities for the future.

New Brunswick has tremendous resources of untapped oil shales located 20 miles south of Moncton. Because of the province's relatively limited potentialities for further hydro-electric development, these resources will probably become increasingly interesting as more attention is given to developing electric power by thermal means.

Now let's take a more specific look at the big mining projects now under way in New Brunswick.

Companies in the "Boylen group" are expected to spend some $2¼ millions on their various projects this year.

The Brunswick Mining & Smelting Corp.—New Brunswick's biggest mining endeavor—is currently laying out funds at the rate of nearly $1.5 millions a year, is pointing up plans for placing the province's two greatest base metal mines in production with a combined production rate of 4,000 to 5,000 tons of ore daily. Within the next five or six years, capital expenditures by this company alone could run anywhere from $20 millions to $25 millions.

The management hopes that research work will be sufficiently far advanced by the end of this year to permit a final decision on the form of production facilities. Research work now proceeding in the United States is going into the possibilities of leach processing. Because of the high pyrite (sulphur) content of the ore, the ability exists to turn out huge quantities of sulphuric acid and for production of large quantities of fertilizer by importing apatite.

Few Canadian base metal enterprises have been able to plan future production with such sizable and good grade ore reserves. Initial surface drilling at the two mines demonstrated approximately 46 million tons of ore averaging about 5.2% zinc, 1.85% lead, 0.5% copper and 1.7 oz. silver. In addition, a copper shoot at the Austen Brook mine showed 3,630,000 tons averaging 1.01% copper and 0.58 oz. silver.

Initial underground work at the No. 12 project (Anacon-Leadridge mine) has shown ore widths up to 195 feet, averaging better than 16% combined metals.

Heath Steele Plans

The American Metal Co. which has established 7.2 million tons of good grade lead-zinc-copper-silver ore at its Heath Steele Mines property in the Little River sector northwest of Newcastle is now going ahead with underground plans and proposes construction of a 1,500-ton daily capacity concentrator. Several million dollars are expected to be spent on mine preparation and provision of production facilities.

Anacon Lead Mines now has a shaft on its New Larder "W" property well below 500 ft. and should have the shaft completed to 1,500 ft. by the end of this year. The company will then undertake development of a fairly substantial base metal ore picture. So far, the picture hasn't been sufficiently defined to permit formulation of production plans.

Keymet, which has been stockpiling output, has an interesting exploration program under way in the current year, and has arranged to ship concentrates to Belgium.

Altogether a very substantial exploration program is proceeding on a number of undeveloped properties in the Bathurst-Newcastle region and possibilities appear favorable for discovery of still further mines.

The size and character of ore disclosures in New Brunswick to date suggests that mining should not prove of the "flash in the pan" character. It is taking an extended period to develop new resources and provide production facilities — because of their size — but the ore bodies themselves appear deep-seated.

How the Big Search Is Going In N. S.

Nova Scotia still counts coal mining as the most important factor in its mineral production. Approximately 76% of the 1954 dollar value of about $68 millions was accounted for by this non-metallic mineral. This substantial industry in itself is covered in a separate article in this issue.

But, there appears to be favorable possibilities for expanded production of other minerals including zinc, gypsum, and possibly salt. At the present time, base metal production is being won solely from the Stirling mine of Mindamar Metals but the most extensive exploration program in the province's history has been under way for other occurrences this last two years.

Emphasis has been on aerial survey work but numerous operators have been following up aerial results by ground programs.

Possibly the most interesting results in the base metal exploration appear have been secured by Mineral Exploration Corporation at Meat Cove on the northern tip of Cape Breton Island.

Sampling of 34 pits was stated to indicate the equivalent of 16,000 tons per vertical foot, averaging 4.14% zinc, plus values in germanium and cadmium. A better grade contained area was estimated to have approximately 5,500 tons per vertical foot with a zinc content of between 5% and 13%, a germanium content of approximately 0.031 lb. per ton and a cadmium content of approximately 0.47 lb. per ton. Underground development of ore occurrences in this section is now being undertaken from an adit.

In the realm of nonmetallics, considerable attention has been directed recently to gypsum and rock salt.

Gypsum And Salt

National Gypsum Company has quarrying operations started at its extensive deposit of gypsum in the Dutch settlement area of Halifax county with ore shipments scheduled to commence this summer. The quarrying operation is expected to have a capacity of 5,000 tons per day which will require about 70 railroad cars for transportation of ore from the quarry site to the point of shipment on Bedford Basin. There were 3,380,669 tons of gypsum produced in Nova Scotia during 1954, an increase of 353,242 tons over the previous year. This was not only the largest annual production to date but represented 80% of the total production of gypsum in Canada for the 1954 year.

Salt is being produced by two methods in Nova Scotia — the mining of rock salt at Malagash and by the brining process at Nappan. Annual output approximates 130,000 tons. What is described as "an enormous deposit of high grade white rock salt" was established by drilling at the town of Pugwash by Malagash Salt Co. in 1954 and this deposit is now being developed underground. It appears to be capable of producing about 1,000 tons of rock salt per day. A short siding will connect to the Canadian National Railways so water shipments can be made by steamer from Pugwash Harbour.

From one of the largest single deposits of barytes in the world, Nova Scotia produces close to 250,000 tons annually. This represents about 98% of Canadian production. The greater portion of the output by Barymin Co. goes to the Carribbean and Venezuelan areas for use in oil drilling while the remainder goes largely to Montreal and Eastern Canadian markets. Demand for this product has been very strong recently.

Exploration in Nova Scotia has included diamond drilling of a copper showing near Oxford, Cumberland county, by King Copper Mines and drilling for limestone, lead, manganese and barytes in various parts of the province.

Very extensive aerial survey work (magnetometer and Scintilometer tests has been done in recent years under the closure technique. At least one company now plans to do electro-magnetic work also using a new technique which has been successful in assisting the discovery of base metals in New Brunswick.

International Yachtsmen Flock Over Reversing Falls

There's increasing interest by yachtsmen along the American seaboard in sailing up "The Rhine of America" — St. John River.

Local people are helping stimulate the interest, too, by sending out invitations to yacht clubs. There'll probably be even more visitors this year.

Last season about 23 large U. S. yachts stopped at St. Andrews in New Brunswick on their way up the St. John. One Canadian yachtsman passed seven American yachts on one day on the St. John.

They go as far as Fredericton, some 75 miles up river.

Actually, there are claimed to be 1,000 navigable miles of river in the St. John system. That includes its tributaries.

Yachts regularly navigate Kennebecasis River—a tributary — as far as Hampton, some 20 miles up from St. John River.

Entering the St. John is a fascinating event for the first-time visitor. The boat must cross the famous reversing falls.

The yachtsman does this while the falls is in its one hour of "slack water" between the two phases. Then there is enough water over the top of the falls in a quiet condition for him to cross with ease.

Tankers of the Irving Oil Co. do it all the time, taking oil up the river to Fredericton.

A surprising number of sail boats are noted among yachts on the river, observers say.

The river gets its title of the "Rhine of America" from its width and stately scenery. It runs about one and a half miles wide in many places.

The visitor to the reversing falls this year will see something new: the falls will be lit up at night, like Niagara Falls. No use having a natural resource like that and not making the most of it, local people decided.

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Outlook Improves For East's Biggest Single Industry

THESE ARE BOOM DAYS for DOSCO 543-acre steel works at Sydney which fills pay envelopes for a sixth of Nova Scotia's working population. Big orders from Mexico and Britain have brought a new surge of activity at the plant, hypoed the economy of the area. An aerial view of the plant

Operations of Dominion Steel & Coal Corp. and its many offshoots, together forming the kingpin of Maritime industry, this year reflect:

—A fresh boom in demand for steel and steel products.

—Fat iron ore order books.

—A slump in railway equipment.

—A crisis in coal.

On balance, Dosco is doing well; in some lines, better than ever before.

Iron ore bookings, for instance, are 85% of capacity for the next seven years. Dosco's ore, though, comes from Newfoundland, so it isn't directly involved in the Nova Scotia picture.

But at the sprawling, 543-acre Sydney steel works, things are booming too, thanks partially to the pickup in the Canadian economy and partially to huge foreign orders nailed down late last year against the toughest kind of world competition.

The two steel export plums which aggressive Dosco executives plucked off have given Sydney a terrific boost this year. One is the sale to Britain of 10,000 tons of billets from Sydney mills.

The other and bigger one, for the Mexican Pacific Railroad, is worth $25 millions. It calls for 175,000 tons of rail and 56,430 tons of tie-plates and other rail accessories — the largest piece of business ever placed at the east coast steel centre.

Deliveries are well under way. And meantime, Canadian business has lifted sharply out of the minor recession into which it settled last year. Once again, steel mills are pushing production to the limit, and delivery dates on many items have been extended farther and farther ahead.

The result: six-day operation at Sydney for some time to come. And prospects for a sharp production gain this year. In 1954, ingot output there was down 27.6% from 1953, as general business slipped and foreign competition stiffened. This year, it will be back up again.

Backing The Future

All this doesn't mean Dosco's basic steel-selling problems are over. Production costs are high, and the handicap of distance continues — more than 75% of Canadian steel demand originates between Montreal and Windsor.

But it has given a major boost to the widespread hand which fills the pay envelopes of nearly one sixth of Nova Scotia's population.

And Dosco is continuing to spend big sums to strengthen its long-term position. Since 1945, the company has laid out $75 millions on capital account over its far-flung empire, and has authorized another $8.9 millions for 1955.

Nova Scotia's share of that $75 millions has been $43 millions. And further large additions are included this year in the province: a new ore bridge and rail-end hardening equipment at Sydney; four continuous miner installations at Sydney Mines; and reconstruction of Pier No. 7 at Halifax Shipyards.

In addition, Seaboard Power Corp. will finish installing a fifth generating unit at its Glace Bay plant, which operates on Dosco coal. With a capacity of 18,750 kva, it will mean an outlay of an additional $2 millions, and will make a total of 71,250 kva at the Seaboard plant.

In the way of steel and steel products, here's what Dosco can produce each year now at its booming Sydney plant:

—525,000 tons of pig iron.

—545,000 tons of steel ingots.

—460,000 tons of blooms and billets.

—185,000 tons of rails and tie plates.

—117,000 tons of wire rods.

—67,200 tons of bars.

—55,000 tons of wire and nail products.

Coal Problems

On the other side of the Cape Breton coin, things aren't nearly as good. Dominion Coal Co., Dosco's subsidiary, has an estimated 3,114 million tons of coal underground, enough to keep its collieries going for hundreds of years. But fewer and fewer customers want it. So the industry's very foundations are threatened.

One reason has little to do with cost. That's the railway's dieselization program. Even if coal was selling at a fraction of the price it is today, the railways wouldn't be going back to steam.

But cost is the key factor in other markets. And President L. A. Forsyth said recently that at present costs coal is not and definitely cannot be competitive with other fuels and sources of energy, which have made devastating inroads on its markets.

The federal government subvention (paying part of the rail freight on coal shipped into Ontario, Quebec and the Maritimes), still means Dominion can meet competition from imported U. S. coal, though in an area smaller than a few years ago.

But it gives no protection against imported residual oil, a very strong new competitor from abroad which Dominion cannot challenge. And there are the older bugbears: growing competition from natural gas, oil for domestic heating and hydro power.

So Dominion has reached two basic and far-reaching decisions in Cape Breton:

—To cut back the $13-million mechanization program, which has predicated on producing and selling 7.5 million tons a year. There is no hope now of reaching that kind of figure, or anything near it. Last year, sales totaled 4.2 millions.

—To shut down any mine which cannot pay its way. Thus, earlier this year when production forecasts stacked up against markets indicated a surplus of 500,000 tons, the company promptly decided to close the big No 1B colliery permanently.

All this has meant a grim picture for Dominion, and its 9,900 workers who pocketed $28 millions in salaries and wages last year. With 1B, for instance, assuming the closure goes into effect the end of this month, 725 miners will be displaced, and reports indicate there is little hope of them catching on in the other mines.

— And Hopes

What can be done about it?

Well, Dosco's own coke ovens at the Sydney steel plant use just a million tons of coal a year. Outside markets have to take the balance, so the big question-mark is: Can anything be done to reverse the downtrend in outside sales?

Dosco is banking, for one thing, on its revolutionary new downdraft furnace, now touring Nova Scotia centres on demonstration. This is aimed at countering the competition of oil in domestic heating, and stems from a development by the Bituminous Coal Research Bureau, of Columbus, Ohio.

Dosco's fond hope: that it will re-establish coal — so vital to Maritime economy — as the preferred domestic fuel, in Canada and elsewhere. It's to be produced in plenty of time for the 1955-56 heating season.

Something like this — with promise of a big cash saving — is needed. Last year Dominion Coal launched an intense campaign to boost Maritime sales, using radio and newspaper advertising and door-to-door canvas. But as a sales effort, it was not too successful.

Battle Against Costs

Meantime, mechanization is going ahead, even though the original program has been cut back. This year, four more of the continuous miners are being installed at the Sydney Mines collieries, raising the total to 19. Last year, some 24% of Dominion's output was mined mechanically.

Mechanization was to be a four-year program. But it's been stretched out, and by the end of last year — original target date for completion — just over $6 millions had been spent.

Mechanization is one big weapon the company is using to battle high costs. But there's another item in the cost structure against which mechanization can do little: absenteeism. Sharp cost reductions must be made if Dominion coal is to compete in the narrowing markets, and absenteeism is an expensive big item.

Dominion has dug into the chances of developing a fresh market for its coal in making synthetic products such as motor fuels, plastic and chemicals. But for the moment, economic obstacles in such processes appear to be too great, it feels.

So at the Sydney steel plant, business is excellent. At the Cape Breton collieries, the outlook is uncertain.

At Trenton, where a Dosco fabricating complex is set up, things could be better. Unemployment, particularly in the plant of Eastern Car Co., is worrying company officials.

Eastern Car can turn out about 4,000 railway cars a year. But business these days is slim, and President Forsyth has called for a change in the policy of feast or famine purchasing of rolling stock by the railways. Recently, he said he viewed this branch of Dosco activities with "scant optimism."

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New DOSCO Coal Furnace Seeks Save A Major Industry

Even in the Maritimes, home of coal, oil has been making inroads. Now the miners are hitting back. They've launched the "white hope of black fuel"—a furnace which is in the looks class with the kitchen refrigerator.

It's a new, compact coal-burning furnace—completely automatic—that sits in your basement under a rectangular white enameled steel case. It takes the coal from the coal bin to the ash can without any aid from the householder's hands.

And it works on a fascinating new principle—a downdraught furnace. Most of the air draught comes in the top, not the bottom, and passes over the burning coal.

There's a subtle control system whereby the coal is fed to the fire only as actually needed. The coal feed doesn't work at the direct call of a thermostat or timer as in ordinary stoker systems. It works by the air pressure at the top entrance to the combustion chamber, to give maximum heat value.

Dominion Steel & Coal Corp., whose engineers developed the "white hope" at their Sydney lab, is already making the furnaces. Dosco's subsidiary Eastern Car, at Trenton, N.S., has them on an assembly line. First selling target is that doorstep Nova Scotia market into which oil has been pushing so boldly.

Public response so far suggests the new pint-size furnace may really "take." Crowds gather about demonstration units which Dosco salesmen take around the province. A demonstrator at a Halifax home show almost lost his voice one evening explaining all about it to people who wanted to know.

Successful Tests

Without the case, the furnace looks something like a combination of whisky still, washing machine and those pneumatic tubes you sometimes see operating in stores. It's almost a "Rube Goldberg" setup, with sprockets, cams, tubes, pressure control, revolving grate and all.

But it works, and very well. At Sydney it stood up to a year and a half of testing. At Nova Scotia Technical Institute it recently went through its paces in first-rate fashion for heat engineers.

The model Nova Scotians will be buying is a hot water unit. Dosco engineers are already working on a hot air adaptation which should come out next year.

They claim that the hot water unit will heat for less fuel cost than oil in Nova Scotia. But its big advantage is elimination of work and mess, which are the big factors switching householders to oil.

Dosco foresees people going back to coal from oil now.

The boiler with the combustion chamber inside is only 24 in. in diameter and 22½ in. high.

Price of the hot water furnace, with boiler, wasn't announced at time of writing. But the company was said to be thinking of tagging it around $600. Water pipes to take the heat to the rest of the house would be extra.

The price as announced may represent little or no profit on manufacture. It's the approach razor people used when they launched the safety blade: sell cheaply the thing that uses your main product.

How It Works

For the man who likes to know how things work, here's the inside story on mechanics of the furnace (numbers refer to diagram):

The coal bin is trough-shaped —sloped on four sides—so there is always coal in the centre if the bin isn't actually empty.

The feed-screw or worm (1) does not go under or on the floor as on some stokers. It goes up, at an angle, from the centre of the coal bin. The revolving screw in the tube lifts the coal to the top of the furnace.

This upward trip for the coal is necessary to drop into the fire-bed from above.

It has an incidental advantage if a spike or other foreign object in the coal jams the feed-screw. The screw can be readily pulled out the upper end of the tube. This ease contrasts with the trouble some stoker feeds can cause when jammed.

The coal drops piece by piece on top of the burning fuel in the combustion chamber.

The fuel bed rests on a conical grate (11), which revolves slowly. As the coal burns it works down the up-pointing cone toward its rim and falls between the rim and the outer wall of the combustion chamber.

The grate does not revolve on dead centre. It moves eccentrically, so the distance between its lower rim and the outside wall of the combustion chamber keeps changing.

This way it breaks up any lumps into which the burning coal may "cake" and promotes complete combustion. Any clinker that forms is crushed to the size of a pea.

Ash and crushed clinker work under the revolving cone and are swept around there till they fall into a special collector (13).

There, a vacuum system turns itself on every couple of hours and whisks ashes and any clinker remnants away to the ash can. The ash can is in a dustproof container in your basement or backyard. You empty it only every week or two. (Or maybe the ashman will empty it for you if it's in the backyard.)

Fuel Control

A very special feature is the way burning is controlled. The induced draught fan (18) causes a suction in the combustion chamber (6) by drawing waste gases of combustion through the fuel bed. The fuel is normally piled so high there is not an open passage for air through to the exhaust passageways (9).

The rate at which gases are drawn out depends on the height of the fuel bed and its degree of openness.

When the fuel bed falls or opens, air pressure inside the combustion chamber drops. A rubber tube from the air inlet (15) at the top of furnace leads to a "pressure differential control."

This control throws an electric switch when air pressure falls below a certain point. The switch starts the feed-screw motor, and coal starts to drop onto the fuel bed again. When there's enough coal, air pressure above it, shuts off the motor.

The rate of combustion thus controls feeding of coal; the thermostat in your living room controls the rate of combustion by shutting the exhaust fan on or off. (There is also an aquastat.)

This system gets maximum heat value from the coal, as it is added only when really needed for ideal combustion.

Big difficulty in ordinary coal burning is to supply just the right amount of oxygen per pound of coal burnt. When coal burns, volatile gases first pass off, and burn, then the fixed carbon ignites and gives up its heat. Volatile gases form as much as 30%-38% of Nova Scotia coal, and much of their heat is lost in many furnaces. Too much air must be supplied to avoid not giving enough, and the temperature of the gases is lowered so they do not burn completely.

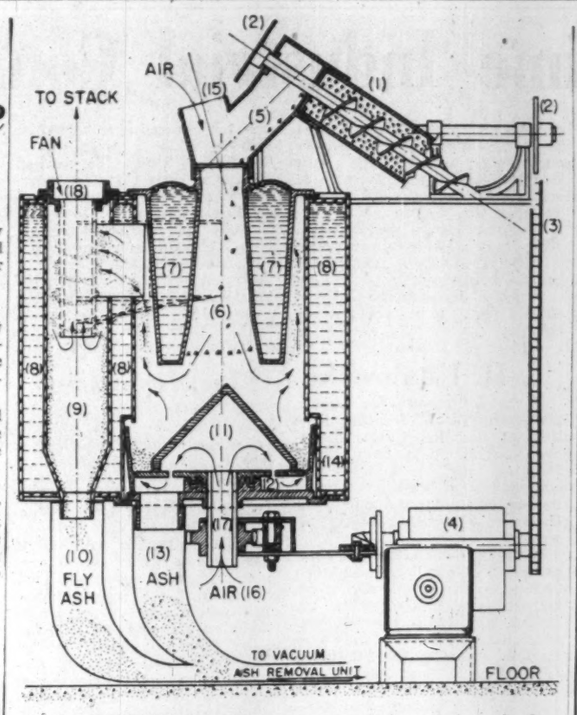
There is an updraught too in the downdraught furnace. It is needed to burn the lower part of the fuel bed. It is drawn in through the hollow driveshaft (17) of the revolving grate. After some detours through other openings, it gets to the burning coal through the ash-grooves of the crushing ring.

After combustion, the updraught gases move out by the same route as the gases from the downdraught air.

Starting the downdraught furnace once a season is novel, but easy. You drop coal through the air inlet at the top of the furnace until the fuel bed reaches the bottom of the inner heat exchanger (7). Then you drop a handful of small kindling through the air inlet onto the coal. You add a small piece of folded paper, light it and start the fan.

Like other furnaces, the downdraught unit can be put on a special control that just keeps the fire alive during warm weather.

Dosco engineers got the idea from a research institute in the U. S. which the company helps support. But they themselves developed the new furnace.



CROSS-SECTION of the new coal furnace. 1, feed screw; 2 and 3, sprockets, chains; 4, motor; 5, fuel feed; 6, combustion chamber; 7, central water ring; 8, outer water shell; 9, fly ash, separators; 10, ash collector; 11, grate assembly; 12, ash, clinker space; 13, ash collector; 14, crushing ring; 15, downdraught air inlet; 16, updraught air inlet; 17, hollow drive shaft; 18, draught fan.

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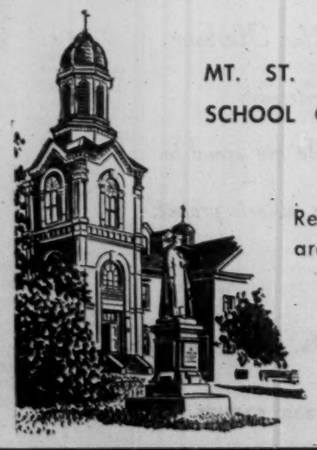

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Rope Mfr. Spends $200,000 on Plant

The Dartmouth, Nova Scotia plant of Plymouth Cordage Co. of Canada has virtually completed a major machinery modernization program designed to maintain the company's position in the domestic rope manufacturing field.

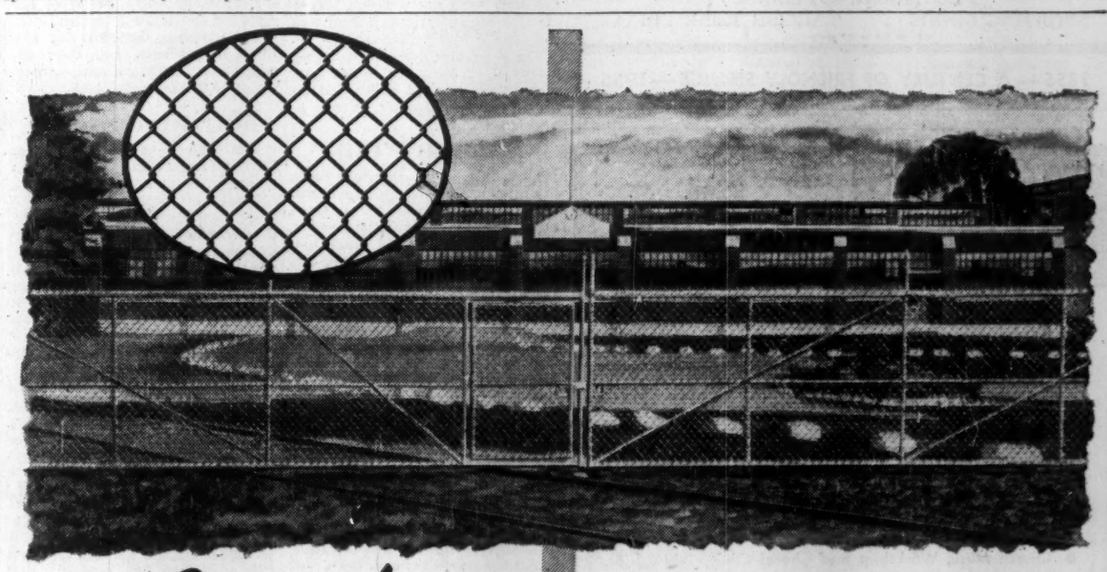
Over-all cost of the new plant layout has been about $200,000.

All production machinery has been relocated in a modern concrete building, making possible a most compact and efficient layout of the production departments.

New draw frames and multiple spinning machines have been purchased and installed in the preparing and yarn spinning departments. Older equipment which they replace will be scrapped.

Modifications have also been completed on all rope-making machines.

Major market for ropes from the new Dartmouth plant of Plymouth Cordage of Canada Ltd. will be centred in the Atlantic provinces. The company's ropes are sold to the fishing, marine, farm, industrial and other users.



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Here's How Maritime Industrial Companies Are Doing

Acadia-Atlantic

Acadia-Atlantic Sugar Refineries Ltd. engaged directly and through its subsidiary, Atlantic Sugar Refineries Ltd., in the refining of raw cane sugar in the Maritimes, Quebec and Ontario where sales are estimated to represent 35%-40% of total consumption for area served. The company produces some 50 or more different grades and packages of sugar in the form of granulated, brown and icing sugar as well as sugar syrups.

The company owns two cane sugar refineries, one at Saint John, N.B., having a capacity of 1.5 million lb., and the other at Woodside, near Halifax, with a daily capacity of 1,250,000 lb., which has been closed since 1942, but has been kept in good repair against resumption of its operations.

Consolidated net profit was $1,383,305 in 1954 compared with $1,269,430 for 1953.

The sugar refining industry continues to be a low profit margin operation, with large volume production essential to permit a modest profit, President J. A. Gairdner stated in his last annual report. A steady increase in Canadian population and the resultant sales volume of refined sugar has enabled the company to meet increasing costs.

Capital expenditures were $775,619 during 1954. Working capital at Dec. 31, 1954, amounted to $10,484,203 against $6,913,130 at the close of the previous fiscal year. Work is going ahead on constructing and equipping the first major addition to the Saint John plant, cost of which has been estimated at a minimum of $2 million.

Connors Bros.

Connors Bros. Ltd., are packers of sardines, herrings, kippered snacks, and other sea foods. Main plant is at Black's Harbour, N.B., while branch plants include Freeport, N.S., Newfoundland. Combined capacity is more than 750,000 cases a year.

Sales representatives and connections are maintained in South Africa, New Zealand, India, Singapore, Hong Kong, Mauritius, and the West Indies, Central America and the United States.

Brand names include "Glacier," "Brunswick," "Jutland," "Old Salt," and "Connors."

Enamel & Heating

Enamel & Heating Products Ltd. manufactures oil, coal, wood and gas stoves, ranges, heaters and warm air furnaces under the brand name "Fawcett," air conditioning equipment and installations, oil fired hot water tanks; and ranges and heaters under agreement with the Florence Stove Co., Gardner, Mass., for manufacture of their lines in Canada.

It has plants at Sackville, N.B., and at Amherst, N.S. The company has also installed machinery and tools for production of aircraft components at their No. 4 plant at Amherst. Warehouses are maintained at Montreal, Winnipeg and Vancouver and the company's products are sold in all parts of Canada. District sales offices are maintained at Sackville, N.B., Amherst, N.S., Montreal, Toronto, Winnipeg and Vancouver.

Net profit for 1954 was $74,815 compared with $105,098 for 1953.

While the rolling mill showed an increased profit, this was offset by a small decline in operations of the aircraft division, due particularly to reduced earnings from the range and heater division because of intense U. S. competition, President N. A. Hesler reported.

No improvement in the earnings of the stove and heater division is anticipated until further protection is granted. However, backlog of orders indicates a larger profit for 1955 from the rolling mill and aircraft division, the president said.

Increased use of steel railway car wheels resulted in reduction in the operation of the company's car wheel plant, with the result that it was deemed advisable to sell it to Dominion Wheel & Foundry Co., Trenton, N.S.

Working capital at Dec. 31, 1954, was $1,612,444 compared with $1,492,830 at the end of the previous fiscal period.

Accelerated depreciation of $25,876 has been charged to surplus.

T. H. Estabrooks

T. H. Estabrooks Co. blends, packs and distributes Red Rose Tea and Red Rose Coffee. Plants are maintained at Saint John, Montreal and Winnipeg. The company maintains six warehouses for storage purposes in its Canada-wide distribution network.

A wholly owned subsidiary imports and sells bulk tea and green coffee to the wholesale trade. Export sales are made in the British West Indies through resident agents and to the New England states by the company's head office in Saint John.

Net profit for the year ended June 30, 1954, amounted to $240,260 compared with $151,256 the previous year.

Sales of Red Rose Tea continued to increase throughout the year, President H. L. Keen said in the annual report. However, the company joined with other coffee distributors in deploring conditions of the world coffee markets.

"These conditions raised consumer prices to record high levels and resulted in a severe setback in coffee sales in the latter half of the fiscal year," he said.

Although tea markets also advanced during the year, consumer price increases have been moderate.

Net profit amounted to 4.6% on the capital employed in the business. This indicates the narrowness of the margins secured on such competitive lines as tea and coffee.

Outstanding capitalization at June 30, 1954, consisted of $1,135,000 $25 par 4.16% cumulative redeemable sinking fund preferred shares and 250,000 $5 par common shares.

Ganong Bros.

Ganong Bros. Ltd., is a large manufacturer of high-grade chocolate candies, established in 1872, and has its plants at St. Stephen, N.B.

With the completion of an expansion and modernization program in 1951, the company increased floor space by 30%. It can now turn out a much larger amount of confectionery than was the case a few years ago.

The company does not provide financial or operating statements and details are not submitted on its corporate structure.

Marven's Ltd.

Marven's Ltd. manufactures biscuits, cakes and potato chips. Its products are sold across Canada and include shortbreads, sodas and malted milk lunch biscuits, Scotch-style oat cakes, etc.

One of Moncton's oldest industries, established 50-years ago by the late J. A. Marven, it was sold this year to George Weston Ltd., Toronto. It was announced that the plant would continue to operate, expansion was contemplated, and it was intended to retain the Marven name and trademark.

A controlling interest in Marven's was acquired in early 1953 by Canadera Ltd., an internationally backed investment company set up in 1952 to invest in Canadian enterprises. Canadera bought 22,454 of the 40,000 class B shares of Marven's at the time.

All Canadera's shares have now been sold to Weston's and it was believed the offer to purchase was extended to other shareholders at the same time.

Consolidated net profit for 1954 was $20,800, 8.8% lower than the previous year's net of $108,511. Net earnings were down 54.5% at $153,194 compared with $336,740 in 1953. Provision for income taxes was lower at $8,864, $83,520 less than in previous year.

At Dec. 31, 1954, company had outstanding $218,125 first mortgage and collateral trust bonds; $39,000 preferred stock, $100 par; 60,000 60c cumulative nonvoting noncallable Class A and 40,000 Class B no par value shares.

Company's plant is at Moncton and a subsidiary, G. H. Hamilton & Sons Ltd., makes biscuits at Pictou, N.S. Warehouses are located at Montreal and Toronto.

Mar. Industries

Maritime Industries Ltd. produces evaporated salt at its modern salt manufacturing plant at Nappan, N.S., on the outskirts of Amherst. Output in recent years has increased steadily since the plant was brought into production in early 1947.

The company is entitled to hydraulically extract salt over an extended area in which test drills have indicated a large body of good grade salt. A substantial expansion program was launched at the Nappan plant early in 1952 and has increased capacity considerably. It was designed to ensure a continuing adequate supply for the company's market in the Maritimes and the eastern part of Quebec.

Maritime Industries is a wholly owned subsidiary of Dominion Tar & Chemical Co. Separate financial and operating statements are not submitted for publication.

The Nappan plant is operating "pretty well" to capacity, a company spokesman reported. Sales are through Sifto Salt Ltd., another subsidiary of Dominion Tar & Chemical.

Moirs Ltd.

Moirs, Ltd. produce chocolates, confectionery, bread and cakes and also operates its own paper box factory and wooden box mill. Its plants are at Halifax and Bedford, N.S., while branch warehouses are at Montreal, Toronto, Winnipeg and Vancouver, as well as an agency in St. John's, Nfld. Other agencies are maintained in the West Indies. The company's export business amounts to about 4% of sales total.

Profit in 1953 (latest figure available) amounted to $204,340 compared with $390,425 the previous year. With the ever-increasing costs of materials, supplies and freight and no increase in prices during the year, the decline in net earnings was inevitable, the annual report said.

At last report, the daily capacity of the plants was about 50,000 lb. of chocolate and confectionery products. The bakeries are reported to have a capacity of 15,000 loaves of bread a day and 7,500 lb. of cake per day; the paper box factory, a daily capacity of 15,000 boxes.

Maritime S & F

Maritime Steel & Foundries Ltd. manufactures construction equipment; structural steel for bridges and buildings, steel and alloy castings, power shovels, etc. Construction equipment is built under license from the U. S., while the foundry supplies castings for mining, manufacturing, shipbuilding and rolling stock. It operates its foundry at New Glasgow, N.S.

Net profit in 1952 (latest available figure) was $106,259, 14.1% lower than the 1951 net of $123,703. Working capital at Dec. 31, 1952, amounted to $633,500.

The company has a sales office in Montreal.

National Sea Prod.

National Sea Products Ltd. produces, processes and distributes fresh, frozen and smoked fish and fillets; canned fish, salt, dry and pickled fish; fishmeal, fish oils and glues. It holds a substantial interest in a fleet of fishing vessels and the company operates cold storage warehouses in several localities in Nova Scotia with distributing houses in Toronto, Ottawa and Montreal.

Production and sales in 1954 will exceed the previous year, the company said. Keen competition in both domestic and export markets continue to keep profits low.

Continued expansion of "convenience" packs will take place this year, and markets for specialty items such as fish sticks will be further extended, it reports. Marketing of fish on this continent has made some rapid advances during the past few years and other forms of cooked fish in the frozen fish state, resulting in fish products being used in homes that very seldom, if ever, ate fish before.

Subsidiaries of National Sea products include Leonard Brothers (Newfoundland); Banks Ltd.; Nepigon Fisheries Ltd., Lunenburg Sea Products Ltd., Nickenson Brothers Ltd., and an approximate 80% interest in O. Hattan Co.

Control of the company is held by C. J. Morrow of Lunenburg and W. S. Lee and R. G. Smith of Halifax.

"We of National Sea Products envisage a busy year ahead," the company said.

N. B. Oilfields

New Brunswick Oilfields, Ltd. is engaged in the production and sale of natural gas and the production, refining and distribution of oil and oil products.

It draws supplies from the Stoney Creek Field, nine miles southeast of Moncton. It serves Moncton and district with natural gas and markets gasoline, furnace oil and heavy fuel oil locally.

The company says during the past year it deepened two wells and in each case obtained a moderate-increase in gas. It says the most important development was the signing of an agreement with O. H. Parker of Ponca City, Oklahoma, whereby he has undertaken to drill six wells in the company's lease area.

These wells are to be completed according to the most modern practice including fracturing of any producing formations encountered. Two wells are being squeezed preparatory to fracturing and are expected to have been treated by this week.

One of wells, drilled in the Stony Creek field, has a natural flow of 108 bbls. per day, Parker has announced. The second well, some four miles away at Belliveau, has been reconditioned after being abandoned by Shell Oil in 1950.

The results of fracturing the tight sands of the Alberta formation in N. B. are awaited with "great interest," the company said.

Gas and oil sales for the fiscal year ended May 31, 1954 (latest figures published) were $171,657 ($189,492 the previous year). Net profit was $10,816 as compared with $44,830 for the previous fiscal year.

The company charged $26,607 cost of participation in Oklahoma and Kansas drilling venture to 1954 fiscal year income.

N.S. Textiles

Nova Scotia Textiles Co. operates a modern plant at Windsor, N.S. where it manufactures a wide range of knitted goods in both cotton and woolen fabrics for men and women. During the war, the company expanded its facilities in the plant to meet war requirements. Financial and operating details are not provided.

It makes sales across Canada and trademarks include "Windsor-wear" and "Evangeline" undergarments.

Oland & Son

Oland & Son Ltd. directly and through subsidiary owns and operates two breweries in Halifax, N.S. It distributes beer and ale in Nova Scotia, New Brunswick and Quebec and exports to the British West Indies and the United States. Breweries have a combined capacity of 300,000 bbls. annually.

The "Oland" brewery is operated by the parent company, the "Keith" brewery by its wholly owned subsidiary, A. Keith & Son Ltd. Oland & Son (Quebec) Ltd., a subsidiary, was formed in 1949 to distribute the company's products in Quebec.

The two main plants are continuing to be maintained in most modern and efficient manner through a policy of modernization and further expansion. The company has spent more than $3 millions on a capital expansion program since the war.

Latest available figures are for 1953 in which consolidated net profit amounted to $293,481, 1.6% higher than the net of $288,727 in 1951. Working capital was $56,943 at Dec. 31, 1953.

Robin, Jones & Whitman

Robin, Jones & Whitman, Ltd. operates a trading and fishing business in the provinces of Quebec, New Brunswick and Nova Scotia. It operates 22 branches, the majority of which are on the Gaspe Coast. Dried fish is exported while boneless fish is sold all over Canada. Frozen fish blocks are produced for export to U. S.

Property consists of warehouses and wharves at Halifax and 22 branches. Sixteen are in Quebec province, four in Nova Scotia, two in New Brunswick.

Original business was established in 1766. At time of incorporation company bought assets of the C. Robin Collas Co., Ltd., A. G. Jones & Co., and Atlantic Fish Companies, Ltd.

Net loss for the fiscal year ended Feb. 28, 1954, was $30,834, compared with $86,484 in the previous year. Depreciation in 1953-54 was $44,500; no depreciation was provided in 1952-53.

Operating profit for the 1953-54 fiscal period amounted to $46,553 compared with an operating loss of $81,627 for the preceding fiscal

(Continued on page 48)

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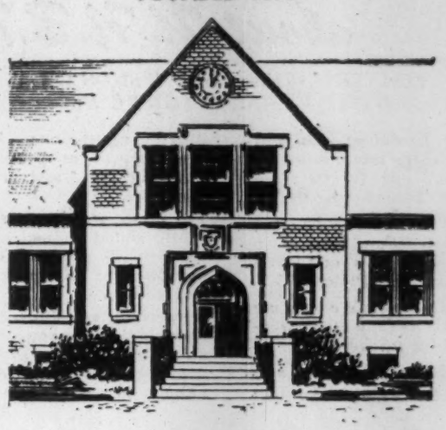

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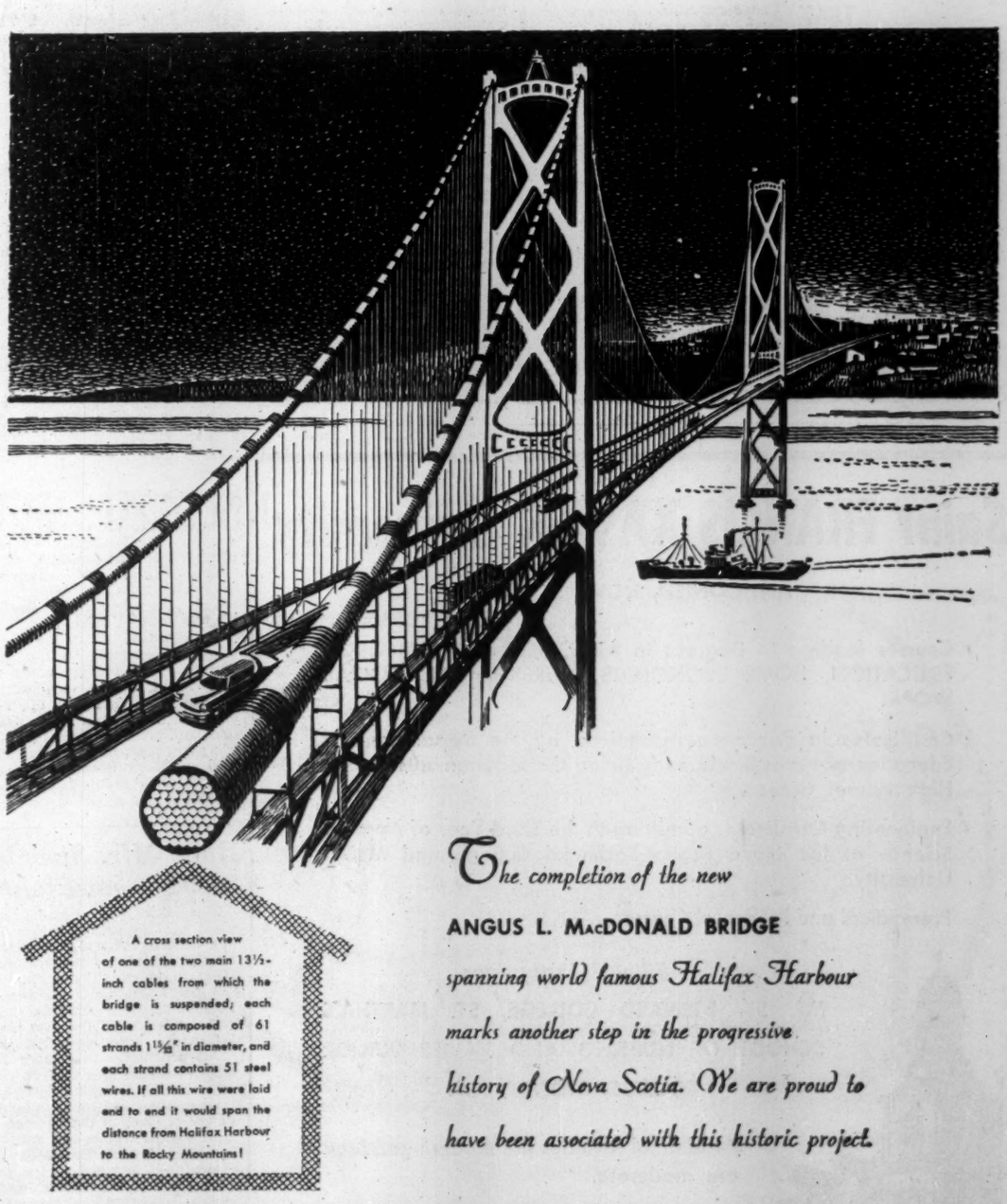

A cross section view of one of the two main 13½-inch cables from which the bridge is suspended; each cable is composed of 61 strands 1 15/16" in diameter, and each strand contains 51 steel wires. If all this wire were laid end to end it would span the distance from Halifax Harbour to the Rocky Mountains!

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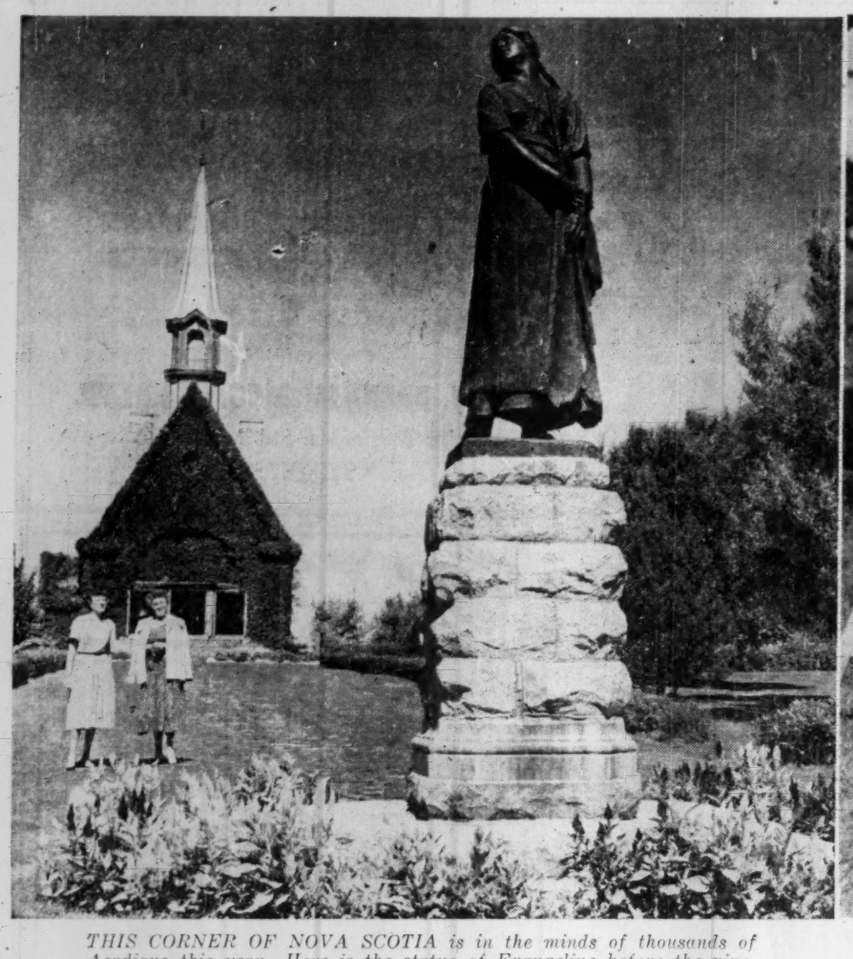

THIS CORNER OF NOVA SCOTIA is in the minds of thousands of Acadians this year. Here is the statue of Evangeline before the vine-covered church at Grand Pre. Evangeline is semifictional but she is a symbol of a people celebrating 200 years of survival all over the Maritimes with colorful ceremonies.

. . . AND HERE IS THE PAGEANTRY. The Acadians retain their folk-lore and the memory of their olden customs. These girls wear Acadian folk costume as they pose beside the spinning wheel at which their ancestors worked and sang. As well as preserving their rich heritage, Acadians are continuing the renaissance that began in the 1880's.

Where Legend Goes With Progress

A North American People Recall Past, Welcome Future

Evangeline is a story in school-books and on library shelves to millions of North Americans.

But to about one million North Americans it is the embodiment of their own national history.

For the Acadians are a little-known national group, with their own heritage and traditions and even in a sense their own speech. They play an increasingly important part in the life of Canada.

—They comprise close to half the population of one of its provinces, New Brunswick, which just now holds special promise of economic development. They are also a closely integrated part of the social fabric of Nova Scotia and Prince Edward Island.

—They comprise a surprising proportion of the French-speaking population in other parts of Canada besides Quebec and the Maritimes. The Acadians have ever been migrants, first because of their historic expulsion, and secondly because of economic conditions in later years.

This year is the Acadians' year. It is the bicentennial of their expulsion from their lands in 1755.

They plan commemorations and celebrations that will make it a big year in the current history of the Maritimes.

In dozens of small communities Acadian bicentennial ceremonies and celebrations are already taking place.

Later in the summer, large "national" scale events are scheduled to take place in four Maritime centres.

Visitors are expected to arrive in great numbers from Quebec, from other parts of Canada, from New England and Louisiana. Many or most of them may be Acadians, but the color and uniqueness of the Acadian tradition, plus advance "publicity" by the poet named Longfellow should bring many others. The provincial tourist organizations are making the event widely known in the United States.

Though the bicentennial will last all year, the four major celebrations are in August. Each will highlight one great phase of Acadian history.

They are:

—August 11, at Moncton: "The Acadians of 1955," with special emphasis on religious thanksgiving.

—August 12, at Memramcook, New Brunswick: "The Acadians of 1855," with emphasis on the achievements of the pioneers of the modern Acadian renaissance.

—August 13, at Grand Pre, Nova Scotia: "The Acadians of 1755," a colorful pageant based on Longfellow's poem Evangeline.

—August 16, at Port Royal, Nova Scotia: "The Acadians of 1655," a tribute to the early settlers. (1955 actually marks the 350th anniversary of the first establishment at Port Royal.)

Act of Thanksgiving

The Acadians are aware that commemorating such events is a somewhat delicate task. But they stress that they do not want to stir up any sentiment which might endanger in the least the ideal of national unity. They have determined to discard any item in the programs which might seem objectionable because of the possibility, however remote, that they may foster ill feeling.

The object is a positive one: "A collective act of thanksgiving to the Almighty for having favored the Acadians with His protection; a proud tribute paid to the human virtues of our ancestors, which enabled them to conquer adversity; a grateful remembrance of the heroic deeds of the Europeans who were the first to attempt settling permanently in Canada.

Other groups have been invited to take part in the celebrations: English, Scottish, Irish, French Canadian, Franco-Acadian, Louisiana Acadians, and to contribute some feature characteristic of its own culture. For example, Highland bands will be present from Cape Breton.

Designation of French Canadians as another ethnic group points up the fact of Acadians' separate identity.

They apply the term French Canadian to French-speaking people of Lower Canadian origin. The two regions were settled separately and have their own distinct history, even as the English-speaking colonies of the Maritimes had a separate history from "Canada"—what is now Ontario and Quebec—until Confederation. Acadians have their own common family names, like Cormier and Arsenault, to be found in abundance wherever Acadians have gone (including Quebec). Acadians even have their own accent in speaking French, though it is not greatly different.

An official of the celebrations estimates there are about 200,000 Acadians in New Brunswick, even more in Quebec Province, from 150,000-200,000 in New England, about 75,000 in Nova Scotia, 15,000 in Prince Edward Island.

The biggest colony is in Louisiana, some 600,000.

Ontario and the West may have 50,000 Acadians, he believes.

Montreal has 50,000 Acadians, about two thirds as many as Nova Scotia where the Acadians first settled.

Toronto district is said to have 10,000 Acadians, almost as many as Prince Edward Island, which is native soil to them. It would also mean that Acadians account for a very large portion of the French-speaking population of Toronto.

There are a great many Acadians in the Province of Quebec. In some regions like St. Jacques de Montcalm they settled very early; in others like Arvida they are recent migrants.

In 22 Regions

Acadians in some 22 regions have set up their own committees preparing celebrations of the bicentenary. They give a further idea of where Acadians are to be found:

The Maritime Provinces: the diocese of Moncton; the diocese of Bathurst; the diocese of Edmundston; the diocese of Yarmouth; Prince Edward Island; Cape Breton.

Quebec Province: the Gaspé Peninsula; the Magdalen Islands; Quebec City area; Montreal area; Nicolet area; Joliette area; Lake St. John and Saguenay; Richelieu Valley.

United States: Louisiana; Massachusetts; Maine and New Hampshire; Connecticut and Rhode Island.

Ontario: Ottawa area; Toronto area; Sudbury area; Niagara Falls, Hamilton and Windsor areas.

As the Memramcook celebration indicates, 1955 is really a sort of chain of centennials.

It was 100 years ago that the Acadian renaissance got its first spark of life. Father Lafrance opened a small college in Memramcook Valley, and for the first time the Acadians had an opportunity to have their youth educated within their national tradition.

Ten years later the Holy Cross congregation took over Father Lafrance's seminary and it became St. Joseph's College.

It was in 1881 that the Acadian renaissance came to full growth: the first national council of the Acadians was called at St. Joseph's College. It was then that the Acadians chose their national flag, which is already much in evidence at bicentennial celebration in the Maritimes this year.

The flag is a French tricolor with the Acadians' emblem, the Star of the Assumption in the papal color, yellow, in the upper left hand corner.

Their national anthem is "Ave Maris Stella"—"Hail Star of the Sea"—addressed to the Acadian patron, Our Lady of the Assumption.

The Acadians considered adopting the same patron as the French Canadians, St. John the Baptist. But they went their own way on this as on the flag.

The fact that Acadians use the flag of revolutionary, republican France while French Canadians cling to the fleur de lys has no special significance though, an Acadian leader says. They favored the tricolor only because it was the flag of France at the time they created their own flag.

This emblem of the Acadian bicentennial celebrations will be seen in many Maritime centres this summer. It shows the Acadian symbolic Star of The Assumption atop a giant A against a tricolor background.

Scholars don't agree on how the Acadians and their country get their names. The French people who settled in Nova Scotia used to call it "L'Arcadie," "L'Acadie," "L'Acadia" and "La Cadie" as far back as 1605. They used the terms to apply to more than the present territory of Nova Scotia.

The word Acadia may come from the Indian word "acadie," which means "fertile land." (Shubenacadie, a place in Nova Scotia, means "place where the wild potatoes grow," and Shenacadie, another town, means "a place of cranberries.")

Still other people say that the early French borrowed the name from Arcadia in ancient Greece.

National Society

The Acadians also founded their National Assumption Society in 1881. All Acadians belong to it by birthright, and it pursues activities somewhat like the St. Jean Baptiste Society of the French Canadians. (The National Assumption Society should not be confused with an Acadian insurance company, the Mutual Assumption Society.)

It is this national organization that is co-ordinating all the bicentennial celebrations. It has headquarters for the year's program at Moncton.

The celebrations and the promotion in connection with them are costing money. New Brunswick Government has granted $20,000, Nova Scotia Government, $12,500. Quebec gave $25,000. A public subscription raised the rest of the money needed to make up almost $200,000. Cities like Moncton and Yarmouth have been very helpful.

In the U. S., Louisiana legislature voted $100,000 to the local Acadian organization which is promoting a state affair that will last a whole year.

The celebrations are a grass roots affair too, for even those 22 regional committees don't exhaust what's going on among Acadians this year.

The Nova Scotia Government estimates that 30 different local celebrations have already been scheduled in that province alone. And there will likely be more announced.

An example of what the local people are arranging is the Yarmouth Memorial Festival. It will last seven days and include a dramatic and musical festival, coronation of a festival queen, a parade, a banquet and presentation of a pageant on six nights.

Grand Pre Highlight

But perhaps the central point of the celebrations in the Maritimes, and of greatest interest to tourists, will be the Grand Pre and Port Royal events.

It will be the biggest day in 200 years for historic Grand Pre.

The first days' program will begin with a Pontifical High Mass and will continue with a dramatization of Longfellow's "Evangeline." The Acadians will dedicate a memorial to the poet and in the evening a pageant will be followed by elaborate fireworks.

The next day the first theatrical production ever written and presented in America, Marc Lescarbot's "Theatre of Neptune," will be revived. It will be played in a natural amphitheatre beside historic Fort Anne at Annapolis Royal, some 67 miles from Grand Pre. There will also be a simple ceremony at Champlain's "Habitation" at Port Royal. Port Royal, continental Canada's first permanent settlement, is about seven miles from present-day Annapolis Royal.

People who visit Grand Pre or other Acadian parts of the Maritimes often ask if Evangeline is an historical person. The answer is no in the strict sense, but a woman very like her did live.

Longfellow never visited Grand Pre so far as anyone knows, though it's said he did come to some other parts of Nova Scotia. (He owned shares in a Cape Breton coal mine.)

He probably heard the story of an Acadian girl, Emmeline Labiche, who was separated from her engaged sweetheart, Louis Arceneaux in the expulsion. She found him near what people now call the Evangeline Oak in St. Martinville, Louisiana. Louis had married another girl, however. There is a shrine to Emmeline's memory in St. Martinville, where she died.

Though Longfellow changed the names and took poetic license with the story, the tourist who visits Nova Scotia this summer will be able to use a copy of the poem as a guide book to much of the area.

The English expelled about 6,000 Acadians from the Grand Pre area in 1755. Some 4,000 went to Louisiana, which was a French possession. Many of them came back in later years, however.

How N. B. Pulls In Tourist Dollars

New Brunswick not only depends on tourism for a larger share of its citizens' income than some other provinces, but it is also well up in the forefront of aggressive promotion of tourism.

The provincial government is budgeting $300,000 this year for tourist promotion. That figures out to about 56c per person, and represents a sizeable increase over last year.

Spending to bring visitors is good business: if the 56c per person in the province brings the same amount of tourist spending as the province got last year, it will bring an average individual return of $33.28 per citizen. A return of close to 6,000%.

Though it's not all attributable to the promotion spending, it points up the worthwhileness of that kind of spending.

In view of its importance, the study of tourism is on a scientific basis in the province.

What influences tourists and just what do they do? The Travel Bureau had an independent agency do a survey of visitors to New Brunswick during 1954.

They found:

—Greatest numbers of U. S. visitors come from Massachusetts, New York, New Jersey, Pennsylvania, Connecticut, Ohio, Maine and Illinois, in that order.

—Most Canadian visitors come from Ontario and Quebec.

—How's our food? — a controversial question to some Canadians. Good, replied 2,372 Americans; fair, said 604; poor, only 63. Among Canadian visitors, 607 thought food was good; 136, fair; 23, poor.

—Accommodation: Good, 2,314 Americans; fair 134; poor, 22.

—Visitors were asked how they rated the province's roads. Good, said 1,623 Americans; fair, 1,242; poor, only 197. One said: "Don't improve the roads; it would spoil the charm of your country." Canadian visitors voted: good, 340; fair, 337; poor, 90.

Of 3,923 American and Canadians replying, only 15% complained about roads.

Only one tourist complained about the method of obtaining liquor and beer, and only one made an issue of the exchange rate.

Most frequent suggestion was building of more roadside picnic sites. Most frequent points of praise were scenery and hospitality.

Advertising Pays

Advertising and publicity pay in promoting tourism. The question, "Had you seen, prior to your visit, any advertising or travel promotion about New Brunswick?" brought that out.

Almost 70% of tourists last year had seen advertising or publicity about the province. And in those areas where New Brunswick advertises the most, the survey shows a higher percentage of observation.

"Did you have in your possession any tourist literature before your trip to New Brunswick?"

"Yes," said 1,795 or 57% U. S. visitors. And 1,094 of them had received it as a result of direct application to New Brunswick Travel Bureau. Others had got it from the Canadian Government Travel Bureau, travel agencies, autoclubs and other centres stocked with literature by the provincial bureau.

A frequent criticism of tourism in New Brunswick is the suggestion that most visitors are expatriate Maritimers, who stay with their relatives and don't spend much money — "tourists are simply coming home to live off the old folks.'

Not so, the Travel Bureau can now reply. Only 11% of American visitors said they had relatives in New Brunswick. About 25% of Canadians had a family tie.

Replies showed that average number of persons per car is three.

The Canadian visitors spend an average of nine days in the province, while the American visitor stays an average of six. Some travel people used to think the average American tourist was just passing through New Brunswick on his way to either Quebec or Nova Scotia. The survey makes it difficult to uphold this view, the agency says. Fewer than a quarter of the total number of American visitors spend less than two days in New Brunswick.

The survey showed that tourists spend more than Dominion Bureau of Statistics figures would indicate. The figure that turns up most often is $16-$20 per car per day. The average figure is $26 per day, covering a range of from $5 to $50.

As the average stay is six days, it is possible to multiply the number of U. S. cars entering on visitors' permits and find a total expenditure of more than $25 millions.

Canadian visitors spend an average of $20 a day. Taking the total Canadian car entries for June, July and August, as counted by Travel Bureau spotters, and the long nine-day average stay, Canadian spending looks like $6.3 millions for this season.

American spending, by people coming through interprovincial points of entry, looks like $4.4 millions.

The study shows a total expenditure of $35 millions by the tourists covered. It still doesn't include casual traffic that stays less than 48 hours, nor spending by visitors who come into the province from Nova Scotia, nor

(Continued on page 51)

GENERAL CONTRACTORS FOR THE BRIDGE AND LOCK GATES AT THE CANSO CAUSEWAY

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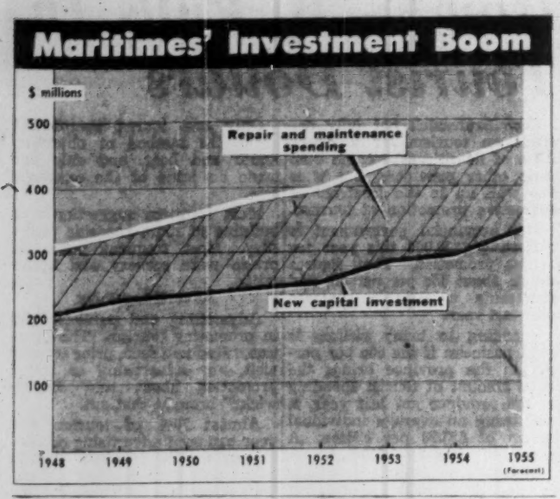

How the Industrial Firms Are Doing

Continued from page 46

year. Although fresh fish prices strengthened slightly during the year, collections on the Gaspe Coast were about 60% less than the previous year and the company was unable to fill tentative contracts with Italian buyers of Gaspe cured codfish.

Working capital at Feb. 28, 1954, was $462,802 compared with $445,434 at the end of the previous fiscal year.

Saint John Dry Dock

Saint John Dry Dock Co. owns and operates one of the largest dry docks in the British Empire and is the only dry dock in Eastern Canada, available throughout the year, that will accommodate the largest merchant ships afloat.

The company is also engaged in dredging, marine contracting, and in the fabrication and erection of steel for buildings and bridges. The steel department comprises an important part of the company's business.

Consolidated net profit for 1954 was $234,882 compared with $360,790 in 1953. Working capital as at Dec. 31, 1954, was $1,712,461 compared with $2,166,775.

Standard Clay

Standard Clay Products Ltd. manufactures salt glazed vitrified and fire clay products, including sewer pipe, culvert pipe, concrete pipe, wall coping, flue linings, etc. The company owns five plants, three at St. Johns, Que., and two at New Glasgow, N.S.

A new and larger unit for the production of large-size concrete sewer and culvert pipes came into production at the end of June, 1954.

The company's net loss for 1954 was $16,844 compared with net profit of $9,671 the previous year.

Depreciation and depletion for 1954 were calculated at one half the rates normally used. At normal rates net loss for 1954 would have been $40,844.

Combines sales of products in tons of clay and of concrete pipes were "somewhat greater" than in 1953, but in dollar value they were lower, reports President C. T. Trotter. "Intensive competition" was encountered from imports and established substitutes. Costs of raw materials and labor increased. The unusually wet spring, summer and autumn added materially to the company's difficulties, the president said.

Working capital at Dec. 31, 1954, amounted to $258,754 compared with $386,516 at Dec. 31, 1953.

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Progress of the Financial Firms

Acadia Trust

Acadia Trust Co., Truro, N.S., net profit of $48,813 for the fiscal year ended Nov. 30, 1954, was higher than previous fiscal year's net of $43,313.

Guaranteed funds totaled $1,286,955 at Nov. 30, 1954 ($1,388,544 a year earlier), and included bonds and debentures of $997,370 ($767,590) and first mortgages of $130,776 ($154,946). Capital account amounted to $1,405,418 ($1,387,497) and included first mortgages of $500,073 ($437,806). Estates, trusts and agencies account totaled $11,167,394 ($10,729,002).

Authorized capital is $500,000, of which $200,000 is fully paid up. At fiscal year end reserve was unchanged at $800,000 and profit and loss at $131,688 ($120,875).

Central Trust

Central Trust Co., head office Moncton, N.B., has branches in Saint John, Fredericton, Woodstock, N.B., and Amherst, N.S.

The company received a large volume of new business in 1954. All departments showed new high levels for the year.

Net profit of $41,837 for 1954 was 10.2% higher than 1953 net of $37,954. Profit per share increased from $0.97 to $1.02.

Total assets rose $1,917,192 to $25,307,433 at the end of 1954. Estates, trusts and agency funds totaled $13,928,400 ($17,712,934). Guaranteed funds amounted to $5,712,858 ($5,059,303) and capital account was $666,175 ($618,004).

Authorized capital consists of 100,000 shares, $10 par, of which $373,110 was issued and fully paid and $38,700 was issued and 50% called at the end of 1954. General reserve was $150,000 ($87,605), reserve for investments $50,000 ($50,000) and profit and loss account $42,335 ($79,413).

Eastern Canada

Eastern Canada Savings & Loan Co., Halifax, makes mortgage loans, issues debentures and accepts deposits. Net profit of $200,735 for 1954 was 18.7% higher than 1953 net of $169,139. Earnings per share increased from $1.35 to $1.61.

Sales of debentures over the year amounted to $1,410,739, increasing total debentures outstanding at the end of 1954 to $15,712,667. Deposits were up $787,020 for the year at $2,818,380 on Dec. 31, 1954.

Assets totaled $21,144,094 ($18,806,151 at the end of 1953) and included $1,726,469 ($1,172,433) bonds and accrued interest and $190,114 ($143,191) stocks. Book value of bonds and stocks was $138,300 below stated market value on Dec. 31, 1954.

Capital stock totaled $1,250,000. Reserve fund was $1 million ($900,000), contingent reserve $200,000 ($170,000) and profit and loss balance $20,055 ($76,940).

Eastern Trust

Eastern Trust Co., with head office in Halifax, has 13 branches from Newfoundland to British Columbia. Net profit of $246,358 for 1954 was considerably higher than 1953 net of $111,870, due mainly to a marked increase in new and profitable business at branch offices.

Assets under administration reached a new high of $133,705,500 at Dec. 31, 1954 ($128,309,399 at the end of 1953). Guaranteed trust account amounted to $15,531,356 ($15,603,781) and included mortgages of $7,409,186 ($6,690,915) and bonds and debentures of $6,154,465 ($7,214,584). Capital account totaled $2,275,442 ($1,861,372), with the item showing largest increase being cash $727,089 ($249,051).

Authorized capital is 300,000 shares, $10 par, of which 100,000 were issued and fully paid at Dec. 31, 1954. Reserve fund was $725,000 ($625,000) and profit and loss account $93,157 ($68,372).

Maritime Life

Maritime Life Assurance Co. began business in 1924 with head office at Halifax and has shown consistent growth ever since. At the end of 1954, total business in force was $46 millions, compared with $44 millions a year earlier. This total includes deferred annuities and group insurance.

New policies issued, old, revived and increased, including deferred annuities and group insurance but excluding group pensions and immediate annuities, amounted to $3,921,066 ($4,001,879 the previous year).

Number of policies in force at Dec. 31, 1954, was 16,642 (16,615). Company intends to expand underwriting activities, and has strengthened special reserves to meet the costs of sales expansion.

"As considerable organizing has first to be done, it is not expected that much growth will appear in 1955," President W. H. C. Schwartz stated in the annual report. "The board is confident, however, that plans now being formulated will finally result in your company obtaining a larger share of the business than it presently enjoys." The business in force and the annual underwritings of the company are much below what they should be and what the company can advantageously sustain, he said.

Total premium income amounted to $1,009,703 ($962,966), after deducting re-assurance premiums paid; interest income $455,917 ($459,710). Death claims incurred and total disability claims were $180,232 ($107,857 after deducting re-assurance of $35,250 ($59,967).

Total assets increased to $11,135,239 ($10,190,907).

Company's new head office building has been completed, and was occupied late in 1954. The Nova Scotia branch is being moved from rented premises to the new building. Branch offices and agencies are operated at Halifax, Moncton, Saint John, Charlottetown, St. John's, and at Hamilton, Bermuda; Nassau, Bahamas; Kingston, Jamaica; and Leeward Islands.

Maritime Trust

Maritime Trust Co., Saint John, N.B., carries on the regular business of a trust company but does not issue guaranteed investment certificates nor accept deposits. Branches are at Charlottetown, P.E.I. and Sackville, N.B. It has agencies at Summerside, P.E.I., and Fredericton, N.B.

Control of the company was acquired by Montreal Trust Co. recently, through purchase of all the company's shares.

Company's policy is to invest its own funds only in Government of Canada, provincial and high-grade municipal bonds.

Net profit in 1953 was 1.3% higher at $19,530 than the $19,284 net in 1952. The slight increase in profit was due to reduction in corporate income tax from $14,931 to $7,416. Estates, trusts and agencies account stood at $9,385,665 at Dec. 31, 1953 ($9,169,862 at Dec. 31, 1952). Book value of investments was $290,871 ($282,896) and market value $276,700 ($267,300).

NS Savings & Loan

Nova Scotia Savings, Loan & Building Society, Halifax, makes loans on mortgages, issues debentures and accepts savings deposits. Net profit of $138,969 for 1954 compares with previous year's net of $127,004.

At Dec. 31, 1954, assets totaled $11,140,021 ($10,242,974 at the end of 1953), a company record. Included were first mortgages on improved real estate of $10,570,389 ($9,609,615) and investments in bonds and bank and public utility stocks of $516,900 ($523,632). Debentures and savings deposits outstanding totaled $8,825,902 ($8,015,570).

Share capital amounted to $1,419,809 ($1,410,330), rest fund $685,000 ($660,000) and profit and loss balance $59,897 ($42,316)

Nova Scotia Trust

Nova Scotia Trust Co., Halifax, maintains branches at Sydney, Kentville, Yarmouth and Truro. Net profit for the fiscal year ended Sept. 30, 1954, was $64,129, 24.8% higher than previous year's net of $51,379.

Guaranteed funds at Sept. 30, 1954, amounted to $4,470,540 ($4,395,704 a year previous). Estates, trusts and agencies stood at $25,652,977 ($22,030,403). Capital account was $1,075,607 ($1,038,491).

Authorized capital at Sept. 30, 1954, consisted of $1 million, of which $500,000 was issued and paid up. General reserve was $450,000 ($400,000) and profit and loss account $23,624 ($49,494).

Yarmouth Bldg.

Yarmouth Building & Loan Society, Yarmouth, N.S., makes loans on mortgages and issues debentures.

Assets at Dec. 31, 1954, totaled $753,287 ($712,957 at end of 1953) and included mortgages of $726,175 ($694,911).

Debentures outstanding amount to $471,250 ($423,350). Capital stock consists of 1,718 shares carried at $171,672. Reserve account remained unchanged at $76,000 and profit and loss balance at $23,720 ($30,207)

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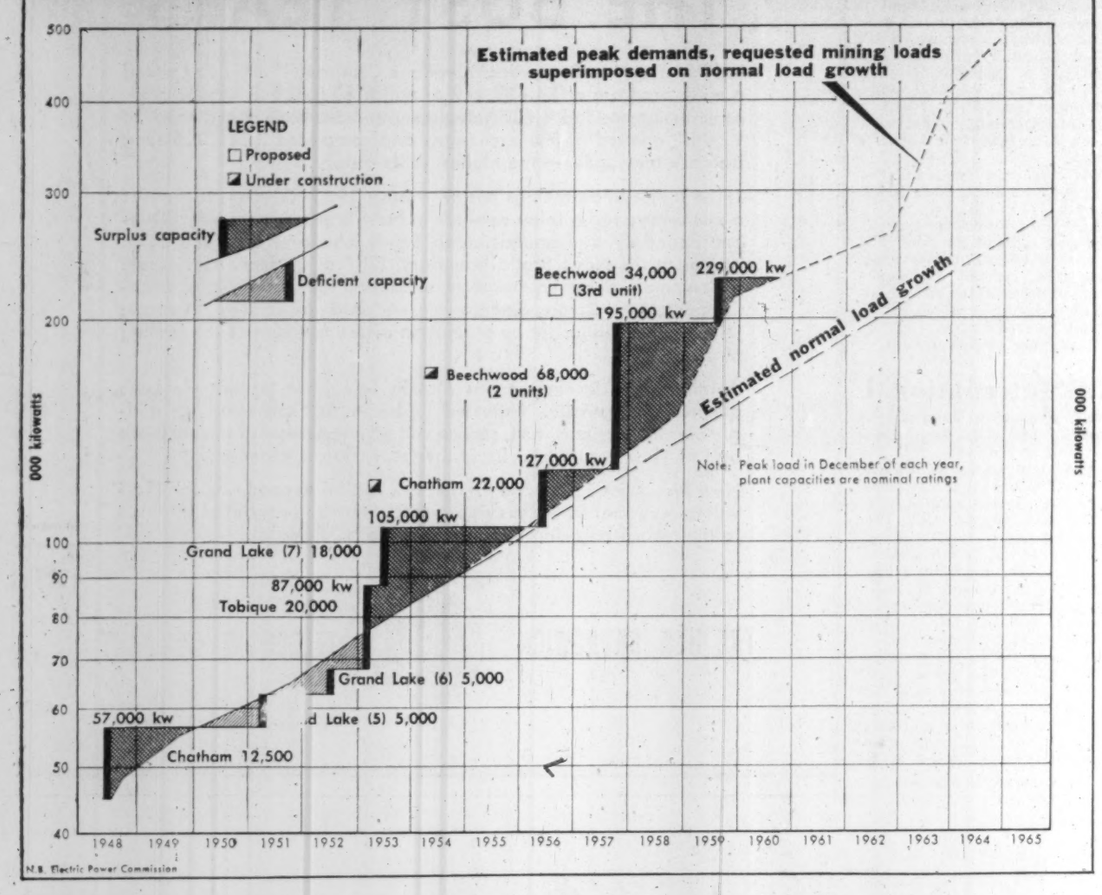
How New Brunswick Power May Soar



Power Pool Ahead For Maritimes?

Report May Seem Radical, Says Expert, Urges Consideration

By Dr. A. G. CHRISTIE

Scattered population in small centres along the extended sea coasts of Nova Scotia and New Brunswick and along the principal rivers has made the construction and maintenance of electrical transmission lines somewhat expensive. This together with high generating costs from thermal power plants due to high coal prices results in higher cost of electrical service than in some other areas of Canada. High energy costs have discouraged the development of large electrical consumption. What is the present situation and what about future developments?

The New Brunswick Power Commission controls the major electrical services in that province. It has four relatively small thermal plants and two hydro stations together with a number of small Diesel plants on its system. None of these plants are large and together total about 102,000 kilowatts. Several plants, such as the Grand Falls Hydro plants, and paper mill plants are privately owned and serve industries. Two of the Commission's thermal plants at Grand Lake burn Minto coal. One of these has old small units that are no longer economic to operate but can serve as stand-by reserve in case of an outage on other equipment. The steam plant at St. John is not in a good location. Its fuel costs are high due to haulage charges on coal and its operating economy is poor. The Chatham plant is about to receive an addition of 22,000 kilowatt capacity in a reasonably economic unit. In general steam turbine units in these plants are relatively small. The present system capacity alone does not warrant the construction of a new steam plant with large economical units especially in view of pending hydro-electric developments.

A report that may prove of great significance for the power and industrial future of the Maritimes has been released recently by the Dominion Coal Board. Baltimore power expert Dr. A. G. Christie, who did a study of Maritime power for the board, recommends creation of a Joint Power Authority for Nova Scotia and New Brunswick. It would include both public and private utilities, but have its own finances. Aim would be lower cost electricity, industrial development and markets for coal. The Atlantic Economic Council has placed the Christie report high on its agenda for examination. Mine unions have voiced enthusiastic support. Here is a partial text of the Christie report, with the author's own reasons for his recommendation.

Hydro Potential

New Brunswick has potential hydro energy on the St. John and other rivers and a decision has been reached to install two 34,000 kilowatt units at Beechwood site on the St. John River with a third unit to be added later. Other sites are available on the St. John River with a possible additional capacity of 178,000 kilowatts in the New Brunswick portion alone.

However, many storage dams near the river sources in Quebec and Maine should be built to stabilize flow and these will add greatly to potential power capacity. Agreements should be reached with Quebec and Maine authorities to have such storage developed before the areas are too heavily populated. Other power sites are available on the smaller rivers which will substantially increase the total kilowatt hours available from hydro sources. It would therefore appear that the major power developments in New Brunswick will be hydro with certain capacities in thermal plants for stand-by low water conditions on the rivers. Without storage this will require much steam stand-by capacity.

Nova Scotia has no large rivers and most of its hydro sites, that are economic, are already developed. Hydro plants total about 110,000 kw. in capacity. On the other hand, Nova Scotia has ample coal reserves in its northern portion and four major steam plants are in service. Several smaller steam plants, some held as reserves, and a number of Diesel plants provide electricity to the public. Whereas in New Brunswick the Power Commission controls practically all distribution systems, in Nova Scotia private corporations and County Power Boards control the major distribution systems while the Nova Scotia Power Commission serves outlying areas and widely scattered customers especially in the rural districts.

The four thermal stations have relatively efficient modern steam turbines considering their size. Large more economical units are being purchased for Halifax and still larger units are in prospect as the Halifax system's load grows.

Three of the four steam plants are practically at mine-mouth and these burn splint, slack and low-grade coals that it does not pay to ship elsewhere.

Some hold that all steam gen-

(Continued on page 50)

Broader Summer Curriculum At Mount Allison University

Mount Allison University, Sackville, N.S., is this summer offering schools on the United Nations and Church Music, as well as its 32nd annual Maritime Summer School.

The University will also run a Summer Institute, Aug. 11-13, with the topic "The Commonwealth Today," and distinguished speakers from the U. K. High Commissioner's Office and Dept. of External Affairs in Ottawa, as well as Edgar McInnis, president of the Canadian Institute of International Affairs, will participate.

Mount Allison is also offering a Church Music Workshop as part of the 1955 Summer School Program. In addition to the regular one week course, July 25-July 30, in the basic techniques and historical background of music in worship, the workshop will offer this year a special course in organ playing and elemental music theory, July 4 - Aug. 13, under Prof. G. D. Payzant.

Prof. P. A. Lockwood will hold another United Nations School for boys and girls of the Atlantic Provinces, July 5-9, and the regular Maritime Summer School for teachers will be held July 4-Aug. 13.

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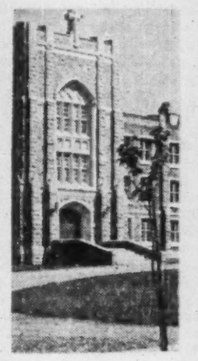

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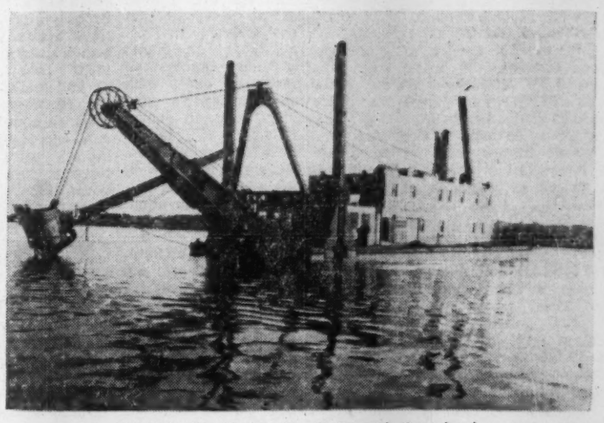

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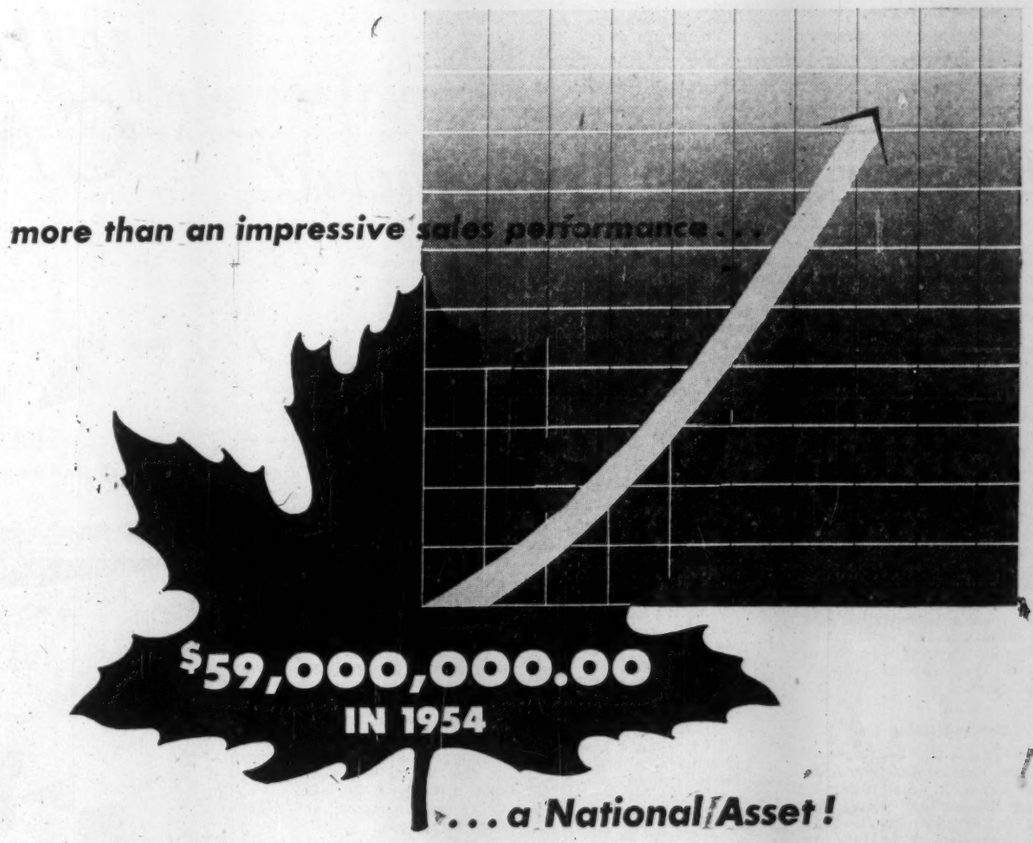

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Reports On Maritime Pulp and Paper Companies

Bathhurst P & P

Bathurst Power & Paper Co. turns out folding set-up box boards, kraft liner board, corrugating board, patent coated boards, bleached manilla boards, colored boards, pulp boards, unbleached sulphite pulp and groundwood pulp.

Its mill is at Bathurst, N.B., and the company has subsidiaries in Central Canada operating plants which convert products of the Bathurst operation into finished products.

Leasehold timber limits in New Brunswick and Quebec total about 2,700 square miles, containing an estimated 14 million cords of pulpwood. Timber areas in New Brunswick are located upriver from the Baie de Chaleur, while those in Quebec are in the Bonaventure and Cascapedia rivers, also flowing into Baie de Chaleur.

In 1954, consolidated net sales at $27.4 millions were up substantially from $23.3 millions the previous year, and net profit at $2,962,283 was a sharp 50% higher than $1,974,797.

The improved earnings reflected a record volume of business, with the mills division producing 106,094 tons of container board (102,211 in 1953), 22,353 tons of box boards (22,526) and 19,132 tons of pulp (11,681). Inventories of finished goods on hand at the year end were higher, but not abnormal, it was stated.

Selling prices of products at the mills division were steady. Pulp prices are still low in relation to production costs, despite the $5 per ton increase in unbleached sulphite effective during the first quarter of this year, it was stated.

For the first quarter of 1955, net profit at $544,987 was up substantially from $432,330 in the same period of last year. Business outlook for the balance of 1955 was described recently as reasonably optimistic, and sales volume has shown moderate improvement.

The company has introduced a new kraft liner board of lighter color and improved printing surface, and started producing both white and colored liner boards. It is also building a new plant at Whitby, Ont., which on completion by the end of 1955 will give Bathurst five plants in Eastern Canada for manufacture and distribution of shipping containers.

Fraser Cos.

Fraser Companies Ltd., directly and through wholly owned subsidiaries, produces sulphite and groundwood specialty papers, chemical pulps, groundwood pulp, paperboard and lumber products.

Properties include a sulphite pulp mill, groundwood pulp mill, sulphite and kraft bleaching plant and paperboard mill at Edmundston, N.B.; and unbleached kraft pulp mill at Newcastle, N.B.; and sawmills and dressing mills at Cabano, Que., and Plaster Rock, N.B.

One subsidiary, Restigouche Co., operates a bleached sulphite mill at Atholville, N.B. The other, Fraser Paper Ltd., operates a paper mill at Madawaska, Maine, producing sulphite and groundwood specialty papers.

Last year, operations of all pulp, paper and paperboard mills were maintained at high levels, with shipments totaling 253,668 tons, compared with 243,192 in 1953. Demand for bleached sulphite pulp strengthened early in the year, while demand for kraft pulp, paper and paperboard remained about the same. Prices were steady and the market competitive.

Since most of the company's shipments are to the U.S., revenue was adversely affected by the discount on the U.S. dollar. But net profit at $4,868,171 was up 63.7% from $2,793,940 in 1953.

Earlier this year, shipments were running slightly higher than the same period of 1954, with mill operations described as "normal." Assuming normal operations for the balance of 1955 and no change in the market situation, the $5 ton increase in price of bleached kraft and bleached sulphite pulp could apply on about 35,000 tons of market pulp, it was said. The increase was effective April 1 and, while it will be helpful, the new prices will still not result in satisfactory returns for sales of these products, it was stated.

An addition to the steam plant at the Atholville pulp mill is expected to be completed before the end of this year. In 1954, capital outlays of the company totaled $2,416,128.

The eastward movement of the spruce budworm infestation in New Brunswick has been slowed and steps are being taken to prevent it from spreading, the company said. In some unsprayed areas where there has been some mortality of the standing trees salvage operations are being undertaken.

Irving P & P

Irving Pulp & Paper Ltd. owns and operates a pulp mill at Fairville, N.B., just outside Saint John at the mouth of the Saint John River. Present capacity totals some 200 tons of bleached sulphite pulp daily, while a 250-ton addition for making bleached kraft pulp is well under way and expected to be finished in 1957.

The company's current expansion program involves total outlays of about $18 millions.

Irving Pulp & Paper until 1952 was known as Saint John Sulphite Ltd. Its timber limits comprise an undivided freehold interest in timber lands in northeastern Maine, totaling 51,345 acres, plus 68,716 acres of timberlands in Carleton and York Counties of New Brunswick. It is estimated that these areas contain 656,590 cords of spruce and balsam, in addition to stands of pine, cedar and hardwood.

Irving Pulp & Paper also has a 29.6% interest in the outstanding shares of Allagash Land Co., which owns 85,144 acres of timber land in Maine containing an estimated 537,915 cords of pulpwood.

Financial and operating statements are not submitted for publication by the company.

Mersey Paper

Mersey Paper Co. owns and operates a newsprint mill at Brooklyn, on Liverpool Harbor in Nova Scotia. Capacity, which has been raised steadily, is now over 138,000 tons of newsprint annually, and the mill is equipped with the necessary groundwood and sulphite equipment.

A great advantage of the Mersey mill location is being on ice-free tide water, permitting both deep-water and rail shipment throughout the year.

The company's over 900 square miles of freehold timber lands are estimated to contain about 2.4 million cords of pulpwood. Additional freehold lands were acquired in 1948, and the company can also buy pulpwood from local farmers and jobbers.

Mersey markets its products in the Maritimes, Great Britain, Australia, New Zealand, the West Indies, United States and other countries. Operations have been maintained at or above rated capacity since the beginning of 1931.

Last year, production reached a new high at 138,006 tons, and topped the daily average of 1953 by 5.5 tons. Sales kept pace, resulting in a normal year-end inventory.

Consolidated net profit rose to $3,058,331 from $2,683,181 the previous year. This was equal to $13.84 per common share, compared with $11.94.

Additions and improvements during the year amounted to $499,629, and net working capital at December 31 amounted to $5,351,839, against $4,729,743 a year earlier.

Minas Basin

Minas Basin Pulp & Power Co. manufactures groundwood pulp and paper board, and carries on a large lumbering operation.

Capacity of its mill in Hantsport, N.S., is 85 tons of bleached and 15 tons of unbleached groundwood pulp daily. Most of the pulp is sold to Scott Paper Co. in the U.S. The paperboard mill has a daily capacity of 50 tons.

The company owns over 300,000 acres of timber and operates two power plants on the St. Croix River with a combined capacity of 7,100 hp. Additional power requirements are brought from Nova Scotia Light & Power Co.

Last year, a considerable amount of the company's timber was destroyed by Hurricane "Edna." This, plus the fact that depletion rates are low, prompted the company to set aside $200,000 from earnings as a reserve for contingencies.

The company's wholly owned subsidiaries include Minas Shipping Co., Mapleleaf Lumber Co., Minas Stevedoring Co., Annapolis Basin Pulp & Power Co. and Portneuf Investments Ltd. The company also controls Bishop Asphalt Papers Ltd., Canadian Keyes Fibre Ltd. and Minas Transport Ltd. Associated companies include Standard Woodworkers Ltd., Parrsporo Lumber Co., Dartmouth Lumber Co., and Annapolis Valley Canners Ltd.

Shipments of groundwood pulp in 1954 rose to a record 31,362 air dry tons, up 2,138 tons from 1953, including 28,427 tons bleached.

Lumber shipments at 18.3 million ft. showed an increase of 1.3 million ft. from the previous year. Shipments of paperboard were down 626 tons to 7,131 tons. Orcharding operations continue to be disappointing, it was said, but profitable operations are anticipated.

Operating costs rose, and net profit at $154,688 was down 20.3% from $194,172 in 1953.

The market outlook for groundwood pulp remains the same, and for lumber appears encouraging, it was stated recently. For paperboard, outlook seems steady, although competition is increasing.

Capital expenditures at Hantsport last year totaled $93,042.

N.B. International

New Brunswick International Paper Co. operates a large newsprint mill at Dalhousie, N.B. The company is a wholly owned subsidiary of Canadian International Paper Co., in turn controlled by International Paper Co., New York.

Its mill, on the Baie de Chaleur, has four paper machines with a total capacity of about 800 tons a day, or 247,200 tons annually. A wrapper machine has a daily capacity of about 28 tons.

Last year, the company opened a new $2 million power plant unit at its newsprint mill. The new addition, a 5,000-kw. turbine, is the latest step in a continuing program to provide a steady source of electrical power for the

(Continued on page 51)

THE BUSY YEARS

In 1954 The New Brunswick Telephone Company Limited completed a work program of $4,457,419 of which $3,820,948 was for new construction; added 4,637 telephones to give a year-end total of 92,487; opened 6 new exchanges and completed 3,167,315 long distance messages — the highest in its history.

Three major undertakings assure a busy 1955: (1) Construction of a microwave radio relay network in New Brunswick from the Quebec boundary at Edmundston to Saint John and from the U. S. border to the Nova Scotia boundary; (2) Provide facilities to meet the communication requirements of Canada's largest military establishment — "Camp Gagetown" — and associated townsite; (3) Provide facilities for co-ordination of the continental toll dialing plan.

Another new development is Mobile Telephone Service — both general and private. Expected to be in full operation by midsummer this car and truck service will give coverage to the southern half of New Brunswick. Its further extension is planned.

New Brunswick Telephone Company's capital expenditure for 1955 will exceed that of the previous year. Another substantial addition to the record breaking expansion of the past decade.

THE NEW BRUNSWICK TELEPHONE COMPANY LIMITED

Eastern Power Pool Ahead?

(Continued from page 49)

erating plants should in the future be located at or near mine-mouth and that energy should be transmitted to the load centres. It is an economic problem whether with present loads, energy can be transmitted, for instance, from Sydney to Halifax, over high tension transmission lines at a lower total cost than haulage rates on coal by ship or rail between the same points. Two such transmission lines have been proposed, one along the eastern coast through a few small communities, the other through Antigonish, Pictou and Truro to Halifax. The latter line would tie in with the new Trenton Power plant near Pictou and at Truro with the Maccan plant. Present loads do not appear to justify such a transmission line but increased demands may justify such a system with extensions to the southern areas of the province.

Demand Going Up

One will ask whether increased electrical consumption can offset other losses in coal demands. During the last few years, electrical consumption in the Maritimes increased about 10% per annum. Part of this increase has been due to extension of services. A fair figure to assume for future growth is 7% per year.

At this rate electrical demands double in a little over ten years. How will this offset coal requirements?

In New Brunswick, major plant extensions for some time will probably be hydro. On the other hand in Nova Scotia practically all plant extensions will be steam or other thermal installations. If one assumes that one billion killowatt hours per year are generated in utility and other plants in Nova Scotia and that an average rate of one pound of coal per kilowatt will be consumed in new stations, then in ten years time coal requirements will increase 500,000 tons per year. While this is a substantial amount, it does not offset the contemplated losses from decreased coal use by railroads and by Quebec customers.

In the United States the coal mine operators are giving greater consideration to the use of coal in electrical developments. The Federal Trade Commission has just released figures which show that the steam plants used a million tons more coal during the first half of this year than the corresponding period last year, an increase of about 2% in spite of added hydro, oil and gas fired, and new high efficiency steam plants. The Commission estimates that the use of coal for electrical generation will triple by 1975.

The major consideration in the supply of electrical energy is its cost to the consumer. Low charges are desirable to encourage extended service. In another report, it is shown that the domestic user needs low plant and distribution investments for his low cost, while the larger customer desires low generating costs which result from low fuel prices.

The Joint Program

To ultimately attain minimum electrical rates in the Maritime Provinces, it is proposed that New Brunswick and Nova Scotia be considered a single area for electrical generation and distribution. The consolidated system could be controlled by a single power authority rather than the two present Power Commissions. All present generating systems, private or publicly owned, would be merged into a pool together with systems in Northern Maine, and operated as a single group over an interconnecting high voltage transmission system.

The two provinces are complementary as regards power resources; Nova Scotia would have coal-fired generating plants; New Brunswick and Northern Maine would have hydro. Also Quebec could be tied in from the Bersimis plant.

Highly efficient steam plants with large steam turbine generators would carry base loads together with run-of-river plants and would burn waste and low grade fuels at or near the mine mouths. Low cost additions could be made to storage hydro plants which would take care of short peak loads which are usually the most expensive loads to provide for. All direction and plant designs could be concentrated in a single organization of highly competent executives and engineers in place of the scattered organizations now existent. This should result in a considerable decrease in total staff and overhead costs. Such a large system could encourage new industries by favorable rates and reliable service.

One will ask what advantages would result from such an integrated system. Some of these gains are:

(a) The combined system would justify the installation of large steam turbine units built for the maximum fuel economy and which could serve with run-of-river plants as base load units.

(b) Such large plants can be built at lowest costs per kilowatt of capacity.

(c) Operating labor is greatly reduced by the use of large units.

(d) The combined effect of these three factors would be the minimum cost of steam generated power under local conditions.

(e) Such large units on an interconnected system would reduce the cost of reserves, which each utility in the system would otherwise have to maintain for emergency purposes.

(f) Certain mines supplying such plants could depend upon a certain annual fuel demand and by scheduling their production to this demand, could stabilize employment and reduce mining costs and final cost of fuel.

(g) The addition of low cost capacity to hydro storage plants would lessen the cost of serving peak loads.

(h) The administrative and engineering costs of the total system would be reduced below those of individual utilities.

(i) The provincial governments while retaining control of rates would be relieved of the problems of financing the consolidated system.

(j) The net result should be a supply of energy to customers at the lowest cost considering coal prices and the expense of hydro developments and transmission systems.

How It Would Work

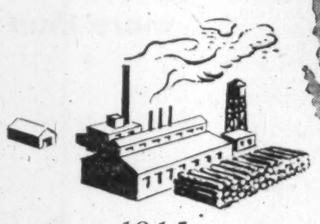
How could such a system be financed and controlled? It could be organized as a Joint Power Authority authorized by both provinces with power to control its own finances, ability to own and transfer property and to acquire other electrical systems.

Its executive committee would include representatives of the two provinces and of each of the component members of the pool. It would direct the organization, design and operation of the complete system within the two provinces.

A pool arrangement is recommended as this would enable privately owned systems to be included as well as utilities in Northern Maine and Quebec. Certain coal mines in the two provinces might be operated solely to supply the needs of the systems' steam plants.

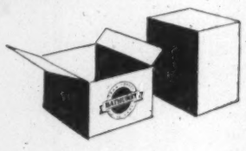
This may seem a radical suggestion. However, it simply follows the trend of development of electrical supply systems both publicly and privately owned where consolidations, extensions and pools are continually being formed to render better and lower cost services to domestic users and to industry. Real statesmanship will be necessary to realize such a consolidation as local politics and provincial pride will oppose such a move. In this case the good of the whole area should supersede petty prejudice.

Looking AHEAD *with* CANADA

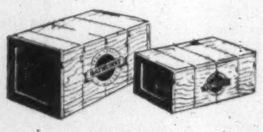


1915
Entered the pulp field

1931
First Canadian mill to make Fourdrinier Kraft liner and Kraft corrugating material



1945
Began manufacture of corrugated containers



TODAY
Enters field of making Wirebound Boxes

KEEPING AN ALERT LOOKOUT to the future is a policy which well befits a forward looking organization such as Bathurst. This policy has helped keep the Bathurst ship on a steady forward course through ever changing economic conditions.

Foresight led the Bathurst company into the pulp and paper field exactly forty years ago. Faith in the future led to Bathurst pioneering in 1931 the production of Kraft liner in Canada. Recognition of Canada's industrial development prompted Bathurst to enter the container manufacturing field at the close of the Second World War through the purchase of Shipping Containers and Kraft Containers. Now, with the recent acquisition of Canadian Wirebound Boxes, another major step forward has been achieved.

Today still looking to the future, Bathurst has streamlined its services for the benefit of its customers. Henceforth its five plants, strategically located in different parts of the country, will be represented by one sales organization with sales offices at key points.

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BATHURST POWER & PAPER COMPANY LIMITED

MILLS AT BATHURST, N.B. CONTAINER PLANTS AT:
HAMILTON, ONT. TORONTO, ONT. ST. LAURENT, QUE. MONTREAL, QUE.

ROAD TO THE ISLE, the Canso Causeway is expected to give a boost to development and income of Cape Breton Island which is now linked to the mainland. First train crossed last month. More than 7,000 cars used it in the first week. Passenger train schedules have been speeded up some 30 minutes. It cost $23 millions, replaces a ferry, set records for this type of construction.

How N.B. Pulls in Tourist Dollars

(Continued from page 47)

what holidaying New Brunswickers spend in their own province.

Keeping The Tally

This season spotters will again count cars entering New Brunswick from Quebec. The Travel Bureau is anxious to nail down just how many tourists do enter the province. The Federal Government keeps tally on direct entries across the border, but a lot of people come across interprovincial boundaries.

Last year the Quebec border count was made for the first time and showed that 27,123 American cars entered during June, July and August.

American tourist cars entering direct from the U.S. numbered 160,550 for the 12 months, a slight increase over last year. New Brunswick takes pride that it had the only increase over last year in this figure in Canada; other provinces were all down.

The check on the Quebec border showed 34,394 Quebec and Ontario cars entering the province during the three months.

In addition, about 15,000 cars entered from Nova Scotia and Prince Edward Island. Then there are the thousands of visitors who enter during a year by plane, train and bus.

An aggregate of a quarter of a million tourist cars entered New Brunswick last year, the Travel Bureau calculates. At the accepted average of three passengers per vehicle, that means upward of 650,000 visitors came by car last year.

The number of visitors is thus greater than the 535,000 population of the province.

Last year the Travel Bureau tried a new way of baiting its hook for tourist dollars. It slanted the ads to sell not the New Brunswick vacation, as it used to, but to sell New Brunswick travel literature.

When an applicant wrote the bureau, he got a standard kit that sold him on a vacation in the province.

The efficacy of this two-step approach is reflected in a phenomenal gain in tourist enquiries —over 200%.

Government promotion is not enough to build up tourist business, the people of the province are being told by Hon. D. D. Patterson, Minister in charge of travel.

The onus is on communities to provide events and surroundings that make it pleasant for the tourist to stay longer. Local people must be friendly and courteous; service must be good.

The City of Saint John has taken the importance of the tourist business to heart. It has appointed a full-time tourist co-ordinator.

BROOKFIELD DAIRY PRODUCTS LIMITED

operating modern dairy plants at

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NOVA SCOTIA - MONCTON, N.B.

associated plants at

ST. JOHN'S - CORNERBROOK - GRAND FALLS,
BURIN, BONAVISTA, NFLD.

Launch $10 Million Project Of Low-Cost Housing Units

Saint John's city council has given the green light to a $10-million housing development in the city's north end.

A Montreal firm, International Construction Corp., is starting immediately on erection of 450 low-cost homes in the Millidgeville Airport area. The houses are to be erected over a five-year period.

When completed, the development will include parks, roads and a shopping centre. Among the houses proposed are duplexes to cost $15,980 each, and five and one-half room single family dwellings, to sell at $9,258 each. The site is owned by the city, and under a tentative agreement the first 100 lots of 6,750 sq. ft. each will be conveyed to International Construction immediately.

Within the next three years an additional 200 lots will be granted by option to the firm and the remaining lots will be sold over two years. The agreement will stipulate that the second options will be good only if 75 homes have been built on the initial lots, and the third options will hold only if 250 homes have been erected in the first three years.

James F. MacLaren & Associates, Toronto, are consulting engineers for the Montreal firm. Water and sewerage installation costs of $200,000 will be paid by bond issue.

GORDON MINERALS

425 Barrington Street,
Halifax, Nova Scotia.

- W. Neal Gordon, New York City, N.Y.
- A. S. Bryson, Halifax, Nova Scotia.

Aero magnetic and scintillation survey completed over 6,000 square miles in the Province of Nova Scotia.

Ground reconnaissance surveys being carried out following interpretations of magnetic maps.

Exploration companies now carrying out exploration and development programmes:—

The Mineral Exploration Corporation Ltd., Toronto.
Dawmac Mining & Oils Ltd., Montreal.
Eastern-Northern Explorations Ltd., Toronto and Halifax.
Stratmat Ltd., Montreal.
H. L. Isaacs and Associates, Toronto.

Enquiries invited from reliable mining companies for participation in exploratory programmes.

EASTERN-NORTHERN EXPLORATIONS LTD.

Under contract with McPhar Geophysics Ltd. of Toronto, a ground reconnaissance geological survey is now being carried out on an area of approximately 1,400 square miles in Pictou, Antigonish and Guysborough Counties of Nova Scotia. This programme follows up an aerial magnetometer and scintillation survey which was carried out in 1954.

- Head Office: Suite 601, 112 Yonge Street, Toronto
- Operations Office: 452 Barrington St. Halifax

Further information will be available upon request.

Pulp, Paper Firms Report On Progress

(Continued from page 50)

mill. It will help stabilize maximum newsprint production, since shortages of hydro power in the past have forced a reduction in groundwood production during certain periods.

Timber limits of N. B. International cover some 1.5 million acres. The company has been active with other industry and government interests in fighting the spruce budworm in New Brunswick. It launched the first successful aerial assault against the insect back in 1952, conducting aerial spraying over a 200,000-acre block of its limits.

Financial statements of N. B. International are consolidated, along with those of Canadian International, in the statements of International Paper Co.

St. George P & P

St. George Pulp & Paper Co. operates a pulp mill at St. George, N.B. One of the oldest groundwood plants in Canada, it is also one of the few Canadian mills to produce bleached groundwood pulp for sale.

The company's bleaching plant, using the sodium peroxide process, was installed in 1949. It was the first operation of its kind in Canada.

The St. George mill, at the mouth of the Magaguadavic River, has an annual capacity of 25,000 tons. About 80% of its production is bleached and sold under the trade name "Fibrewhite," while the balance is sold in unbleached form. Export sales account for nearly all of total shipments.

The mill was destroyed by fire in 1946, but was then rebuilt and enlarged with production capacity increased to about 20%. Since 1947, it has been headed by Antoine Lacroix of Saint John, who acquired an interest in the company held by Senator Page of Maine.

Financial statements are not issued for publication.

Dom. Coal Cuts Back On Costs Pins Faith On Two Inventions

MONTREAL (Staff)—Two rays of hope—the Dosco Downdraft Furnace and the coal-fired gas-turbine locomotive—shine through the gloom for Dominion Coal Co. today. But elsewhere, it was indicated at the annual meeting, markets are dwindling, costs are high, and the very foundation of the industry is threatened.

Thus the company has cut back its $13 million mechanization program, and any mine not paying its way will be shut down.

Said President L. A. Forsyth: "It is patent to me—and the executive management of the company concurs in my view—that the expenditure required to condition our operations to an annual output of 7.5 million tons (original goal of the mechanization plan) cannot be justified. It would impose a burden of fixed charges upon a saleable output of, at best, two thirds of that quantity, which it could not support; and our mechanization project has been modified accordingly."

"The policy which I believe will ultimately serve best toward the survival of the industry, and, therefore, best serve the common interest, is that any operation which cannot carry itself as an economic unit must be discontinued. That is, and will be, the cardinal principle of our operating policy henceforth."

On the one hand, he indicated, some markets have been closed to coal at any cost. Increased dieselization by the railways is the outstanding example.

On the other, coal at present costs "is not, and definitely cannot be, competitive in cost with other fuels and other sources of energy which have made devastating inroads upon its markets."

Remarking that the scene in the field of energy production has changed "remarkably" in the last five years, Mr. Forsyth set out the competitors: imported residual oil, natural gas, oil for domestic heating, increasing availability of hydro-electric power, "to say nothing of the threat inherent in the development of atomic energy for industrial power uses."

New Furnace Hopes

President Forsyth had high hopes for the new downdraft furnace, now being demonstrated in various Nova Scotia centres.

For economy, cleanliness, comfort, convenience and efficiency, he said, it cannot be equalled by any equipment available anywhere in the world today, regardless of the fuel used.

"If its acceptance is as present interest indicates, it should make a significant contribution toward re-establishment of coal as the preferred domestic fuel in this country and elsewhere."

Mr. Forsyth also said that the company has given assistance to the research project at McGill University, headed by Professor Mordell, which aims at development and ultimate design of a coal-fired gas-turbine locomotive for railway use.

The project has made significant progress, and has a potential of utility and economy in railway motive power, he said. But he warned that unless the potential is realized within two years the railways' haste toward full dieselization will defeat its purpose and "render nugatory its possible value as a medium to foster and further the use of coal for railway transport."

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Moncton—the fastest growing City in the Maritime Provinces—and the core of its market place—you should be there.

Whether you are considering a manufacturing site, a local sales headquarters or storage and distribution outlet, we can give you accurate first hand information on properties and building in the Moncton area.

Thirty-six years of practical experience in real estate sales and management—to assist in your problem—to fill your particular requirements.

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Branches: Fredericton, Saint John and Woodstock, N.B.
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Special courses leading to "Honors" and "Advanced Course Honors."

One-year special course in Education for graduates in Arts and Science to qualify for the Teacher's License of the Province of Nova Scotia and the degree of Bachelor of Education.

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Two-year course leading to diploma in Home Economics.

Pre-Medical, Pre-Dental, Pre-Law and Pre-Nursing Courses.

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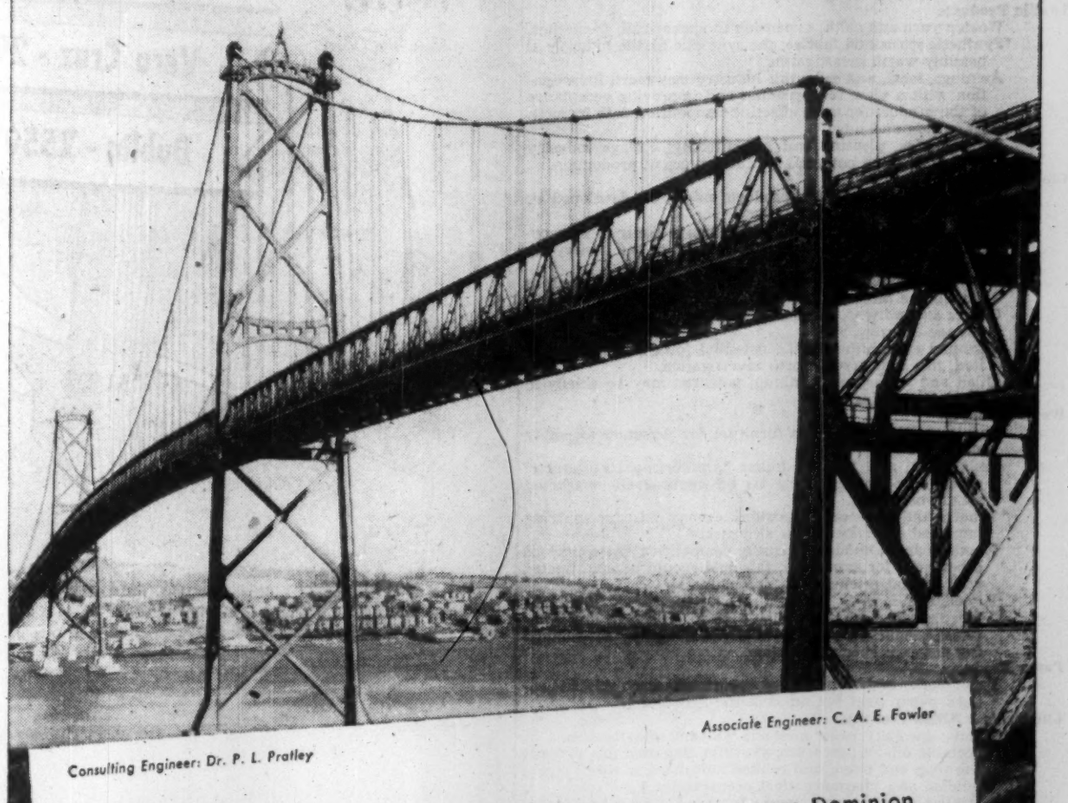
The New Halifax-Dartmouth Bridge



Consulting Engineer: Dr. P. L. Pratley

Associate Engineer: C. A. E. Fowler

The new Angus L. Macdonald bridge is the longest to be built in Canada during the past 16 years and is the second longest suspension bridge in the British Commonwealth —it is surpassed only by The Lions Gate Bridge in Vancouver. In each case the prime contractor for the superstructure was Dominion Bridge Company Limited.

With its total length of 4,420 feet and main span between towers of 1,447 ft. 2 ins., the bridge is both a striking landmark and a testimony to the economic development of the Maritime Provinces.

STRUCTURAL DIVISION (Other Divisions: PLATEWORK • MECHANICAL • BOILER • WAREHOUSE)
DOMINION BRIDGE COMPANY LIMITED

Plants at: MONTREAL • OTTAWA • TORONTO • WINNIPEG • CALGARY • VANCOUVER
Associate Companies at: AMHERST • QUEBEC • SAULT STE. MARIE • EDMONTON

Here's Record Of Maritime Service Companies

Atlantic Wholesalers

Atlantic Wholesalers Ltd., head office Sackville, acts as a distributor of food and other products in New Brunswick, Nova Scotia and Prince Edward Island. The company operates branches at Campbelltown, Bathurst, Newcastle, Moncton, Sackville, Sussex, Lancaster, Saint John and Grand Falls, N.B., Amherst, Springhill, Parrsboro, Truro, Digby and Yarmouth, N.S.; Charlottetown and Summerside, P.E.I.

Firm has controlling interest in R. McGregor & Sons Ltd., New Glasgow, N.S., with a branch at Truro, N.S., and their wholly owned subsidiary, MacKenzie, Irish & MacDonald Ltd., Pictou, N.S.

Filmore's Ltd. at Moncton was acquired in the past year. Further expansion is probable as conditions permit.

The subsidiary company, W. L. Logan Ltd., Chatham, N.B., was closed in 1953 and the warehouse sold. In Bathurst, the company purchased the building which had been rented in 1953 and additional warehouse space was constructed to handle additional business.

Company had record sales in the year ended April 2, 1955. Consolidated profit jumped 32% to $230,955.

The improvement was attributed to healthier economic conditions in the Maritimes, generally favorable markets and improved branch operations.

Irving Oil

Irving Oil Co. is a holding and operating company which is a major distributor of petroleum products in the Maritimes, accounting for more than 30% of total sales of automotive gasoline and heating oils in the region at last report.

The company has recently been expanding gasoline sales in Quebec Province, and now controls about 300 stations through Les Petroles Ltd. and Irving Oil Inc., Quebec City. Several new "super-service" stations are under construction.

The company has begun a long-term expansion program in Newfoundland, which could some day make the company the Island province's leading gasoline distributor.

The Saint John, N.B., company, which already operates 1,200 retail outlets in the Maritimes and Quebec, last year began setting up bulk gasoline storage facilities around the Newfoundland coast.

Irving will put equal emphasis in the Newfoundland sales drive on fuel oil, stove oil and industrial and marine contracts, it was understood.

The company's consolidated net earnings totaled $2,574,487 in 1953, with an earned surplus of $8,148,719. Consolidated net profit in 1952 was $631,137. Irving has an inter-credit arrangement with Shell Oil of Canada, but it is understood there is no financial control involved.

Mar. Accessories

Maritime Accessories Ltd. is wholly owned by United Service Corp and handles automobile accessories and equipment at Saint John, Fredericton and Moncton, N.B.

The company controls Atlantic-Chevrolet-Oldsmobile Ltd., Halifax.

Maritime Accessories does not submit individual operating or financial statements for publication. Its parent company has been recording steady sales increases in recent years.

MRA Holdings

MRA Holdings, through two wholly owned subsidiaries, operates a department store and several furniture stores in the Maritimes.

Manchester Robertson Allison is one of the two and operates the Maritimes largest department store at Saint John, N.B. It is 89 years old this year. The other subsidiary, New Way Furniture Co., operates six retail furniture stores in the Maritimes, including stores at Saint John, Fredericton, Charlottetown and Halifax.

Consolidated net profit in the year ended Jan. 31, 1955 was $323,581, 1.6% over 1953's $323,382.

Company added a new store in 1953-54 and another this year.

SMT (Eastern)

SMT (Eastern) Ltd. is controlled by interests associated with Irving Oil. It operates a passenger and freight motor carrier system in New Brunswick and Prince Edward Island, with direct connections to Nova Scotia and U.S. points.

The company holds an exclusive franchise to operate the transportation system of Saint John. Agreement with the city runs to 1961, but may be cancelled by the city at 18 months notice if a plebiscite of the citizens decides to place transportation under public ownership.

It has undertaken to pay the city 2½% of its gross revenues from fares in the Greater Saint John area in lieu of all rates, taxes, assessments other than real estate taxes. This is in order to indemnify the city against possible loss that might result from any lawsuit that might be brought by New Brunswick Power Co.

Super-Service

Super-Service Stations Ltd. operates or controls about 160 service stations in the Maritimes. Head office is Halifax and all the company's outstanding stock is controlled by United Service Corp., a holding company.

The company last year floated a $500,000 issue of 4½% 20-year first mortgage sinking fund bonds, priced a $99 and accrued interest to yield 4.57%. Proceeds of the bond issue were to reimburse the company partially for capital expansion already completed.

Consolidated net profit of $265,136 for 1954 was 30.4% higher than 1953's $203,328.

Fifteen stations were transferred from a directly operated to a leased basis in 1954 but remain as retail outlets for consolidated operation, President C. Manning reports.

Working capital at Dec. 31, 1954, totaled $1,064,216 against $862,397 at Dec. 31, 1953.

United Fruit

United Fruit Cos. of Nova Scotia Ltd., Kentville, N.S., comprises 46 local companies and co-operative organization extending through the Annapolis Valley area. It is one of Canada's largest fruit marketing co-operatives and is now in its 43rd year. More than 1,200 fruit and vegetable growers are members.

Four modern cold storage and packing plants are operated by the company with a capacity for nearly a million bushels of apples. Considerable expansion has taken place in the pre-cooling and packaging of fresh vegetables.

United Service

United Service Corp. holds controlling interest in a number of merchandising companies allied with the automotive field and operates Acadian Lines, a bus line. Head office is Halifax.

Sale of controlling interest in United Service was made to W. C. Fitfield & Co. this year and transferred direction of one of Eastern Canada's largest service station, bus and trucking concerns to Montreal. It also meant another major move by United Atlantic Securities Ltd. in its search for possible growth situations in this country.

W. C. Pitfield & Co., acting in association and on behalf of United North Atlantic, purchased control from Fred C. Manning who had built the business up from a small chain of stores opened in 1931.

Today United Service is largely a holding firm with assets on books at $9,175,858 but said to be worth more than $14 millions. It controls Super-Service Stations, a company with some 160 outlets in the Maritimes; Acadian Lines, covering most of Nova Scotia with its buses; Fleet Lines, operating buses in surburban Halifax; and Eastern Transport, a highway freight carrier.

Other offshoots of the concern include several subsidiaries operating automobile dealerships, distributing radios and TV sets, refrigerators, electrical appliances, tires, batteries, automotive parts and accessories.

Price paid for the company was not revealed. United North Atlantic was formed a couple of years ago. Initial capital was supplied by several prominent firms and private sources in the U.K., the U.S., Europe and Canada, including W. C. Pitfield. Since then, United North Atlantic has become interested in several projects, including Premier Steel Mills, a new company formed to build a steel plant in Western Canada.

United Service Corp. showed consolidated net profit of $538,457 for 1954, 23% higher than 1953's $437,754.

A decrease in sales and gross profit of automobile dealers was the main contributing factor to the drop in operating profit, Mr. Manning said. The resultant decrease in income taxes, together with reduced depreciation, gains on the realization of investments and introduction of a wholly owned subsidiary, resulted in an increase to consolidated surplus of $316,800 compared with $208,951 in 1953.

Capital expenditures totaled $372,332, the major portion of which was for the addition of new service stations and the modernization of existing retail outlets.

Zeller's (N.S.)

Zeller's (Nova Scotia) Ltd. and Zeller's (N. B.) Ltd. are operating subsidiaries of Zeller's Ltd. which control a Canada-wide chain of specialty and variety stores. Maritime outlets are located at Halifax, New Glasgow, N.S., and Fredericton, Moncton and Saint John, N.B.

Separate financial statements of the two Maritime subsidiaries are not issued. Sales for parent company for year ended Jan. 31, 1955, amounted to $37,251,728, compared with $37,762,401 the previous year.

Keener competition together with some general downward trend in business no doubt had some adverse effect on sales, reported President Walter P. Zeller in the annual report. Sales in 1954 were 4.2% higher, but only up 2.1% exclusive of stores not in operation for a full two years and stores where sales were abnormally affected by remodelling.

Consolidated net profit was $1,456,555 compared with $1,575,473 the previous year.

Sales of the company for the first quarter of the 1955-56 fiscal year, which began Feb. 1, are slightly higher than last year, it was reported at the annual meeting. The company looks forward to a satisfactory year.

Two new stores were opened during the year, both located in park-and-shop areas of Toronto. A number of other stores were enlarged and modernized.

At the close of the year, there were 39 Zeller's and 15 Federal stores in operation.

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WINDSOR NOVA SCOTIA

Here's Area of Industrial Opportunity on East Coast

What sort of industries might find opportunities in Nova Scotia? The provincial government asked a Boston firm of consultants, Arthur D. Little Inc., to ink in the broad lines industrial development should follow. The firm came up with this preliminary list of industries for Nova Scotians to study further.

Some of the industries look like top priority items for investigation. Others are given intermediate priority, which means they may have considerable promise. These are marked XX and X respectively. The rest of the list merits study but is not given special priority.

Industries not now represented in Nova Scotia are starred.

Foods & Beverages
- x *Malting, to serve the brewery industry of the Atlantic Provinces. Distilled liquors, using Nova Scotia fruits as a raw material.
- *Cheese, as a product affording storage of surplus milk output.
- xx Fish sticks.
- x Instant coffee.

Rubber Products
- xx *Coated fabrics (natural and artificial rubber, plastic), camelback, rubber and friction tape, inexpensive rubber toys, for markets in the Atlantic Provinces.

Leather Products
- Gloves and mittens.
- Leather footwear specialties.
- *Miscellaneous leather goods: handbags and purses; small leather goods; billfolds, etc.

Textile Products
- Woolen yarn and cloth; expansion in appropriate specialties.
- *Synthetic yarns and fabrics; the synthetic textile industry is possibly worth investigating.
- Awnings, tents, and sails; this industry may merit investigation with a view to upgrading and improving acceptance of the product for more effective competition with imports.
- xx *Bags, cotton and jute.
- Embroideries, pleating and hemstitching; cottage industry may offer some potential for these types of production.

Clothing
- Men's clothing; specialty products might be developed or expanded.
- Hosiery; provision of suitable buildings is likely to be especially helpful for promoting expansion of the hosiery industry.
- Other knitted goods; a potential may exist for specialties distributed through nonstandard channels.
- Gloves and mittens, fabric; some potential may be found in cottage industry.
- Hats and caps; although the potential for expansion is limited, this industry is worth investigation.
- x Oiled and waterproof clothing; potential may be chiefly in specialty products.

Wood Products
- xx Furniture; *knocked-down furniture for consumer assembly should be investigated.
- xx Sash, door, and planing mills; *prefabricated structures; other new-type products to be aggressively marketed should be sought.
- *Veneers and plywoods; opportunities may exist for applying imported specialty woods as veneers.
- Woodenware; although intensely competitive, there may be a potential for expansion; this field should be investigated with special attention to merchandising.
- Miscellaneous wood products, n.e.s.; the range of miscellaneous wood products should be examined to find additional products for the Nova Scotia industry; merchandising deserves special attention.

Paper Products
- xx Paper boxes and bags; a good opportunity may exist to produce paper bags for the Atlantic Provinces.

Chemicals & Allied Products
- x Paints; specialty paint products warrant investigation.
- x *Vegetable oils; a processing plant for imported oils to serve the soap and paint, and related industries, is worth study.
- x Medicine and pharmaceutical preparations.
- x Miscellaneous chemical products, n.e.s.; study may reveal opportunities based on imported raw materials; expansion of petroleum refining in the Province will create new opportunities in chemical products.

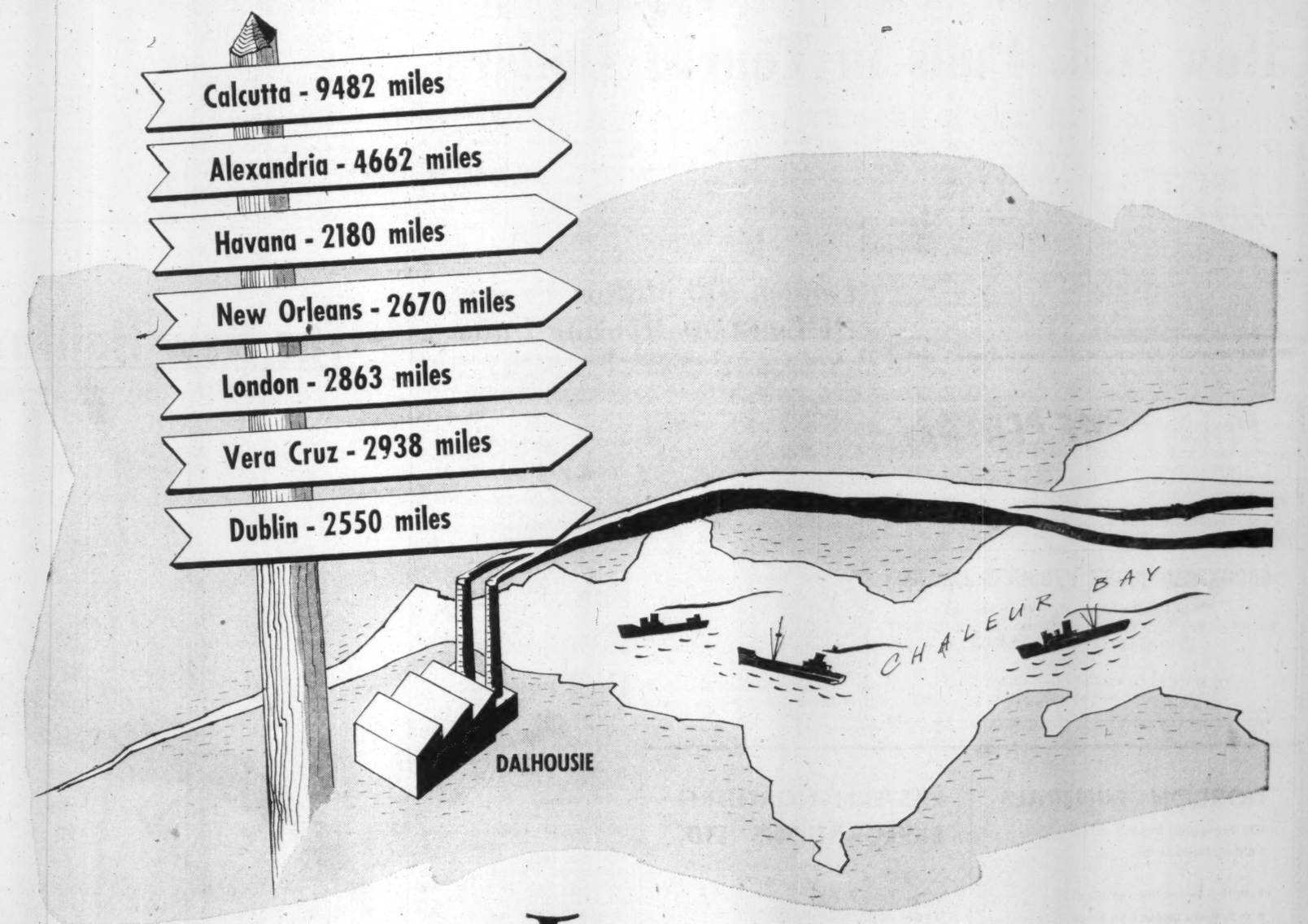
Transportation Equipment
- *Aircraft parts.
- xx Boat building; the industry is in need of a commercially oriented study to increase demand through revamped products and improved methods of distribution; knocked-down boats for assembly by the purchaser may present a significant opportunity; special effort should be made to serve the coming increase in New England demand.
- *Motor vehicle parts; investigation should be directed to components that can stand long-distance transportation and can be economically produced in small plants.

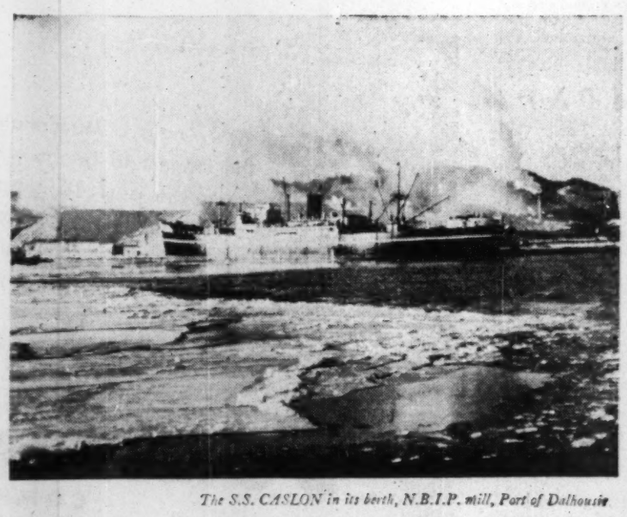
Nonferrous Metal Products
- Jewelry and silverware.
- *Miscellaneous nonferrous metal products.

Electrical Apparatus & Supplies
- *Storage batteries.
- *Miscellaneous electrical apparatus and supplies; wiring devices and supplies.

Nonmetallic Mineral Products
- Clay products from imported or domestic clays; study may reveal limited opportunities for producing specialty products for the regional markets.

Miscellaneous Industries
- Brooms, brushes, and mops.
- xx Plastic products.
- Scientific and professional equipment; investigation may reveal certain items suitable for production in Nova Scotia.
- x *Sporting goods; opportunities may be present here to produce specialty items for the regional and perhaps the national market.
- x Toys and games.





The S.S. CASLON in its berth, N.B.I.P. mill, Port of Dalhousie

History was made at the Port of Dalhousie during the last winter season. Thanks to ice-clearing experiments conducted the previous year, the port was kept open all season despite rigourous temperatures. Between January 1st and April 9th eight ships were given berth at Dalhousie and carried out a total of 36,693 tons of newsprint. Three tugs, operated by the Woods Division of N.B.I.P., were used in keeping the port free of ice. This achievement contributed to steadier employment at Dalhousie and more efficient operation of New Brunswick's largest industrial plant and its only newsprint mill. Thus it is a factor in the year round prosperity of the province.

NEW BRUNSWICK INTERNATIONAL PAPER COMPANY

FROM THESE SEED oats, undergoing examination at Eastern Canada's biggest seed grain cleaning plant at Hartland, N.B., North Dakota or Manitoba farmers may grow future harvests. Because of emphasis on quality, seed grains from the plant are winning markets far afield in Canada and the U. S. for New Brunswick farmers.

TV Eye Helps Fill The Nets

New Methods Catch New Markets For Fishermen

The future looks dimmer for fish swimming in the chilly Atlantic Ocean, but it has more gleam for the fishermen who go after them from the Maritimes' historic ports.

They're making new history in these fishing ports today, with new marketing methods and more efficient methods of catching fish.

Fish sticks, already a revolution in the U. S., are continuing their advance in Canadian food stores. In fact, so fast that workers in at least one big Maritime fish stick plant have been working overtime to keep up with demand.

At sea, they're putting into practice scientific ways of finding fish faster and at lower long-run cost. They're installing equipment that combines echo sounding with a near relative of television. The skipper looks at a TV-style tube and reads what high frequency sound waves "see" below the surface. He pinpoints the location of his fish.

This type of equipment has begun to come into widespread use during the last year in the Maritimes, and there are good reports of its results.

But the big development continues to be in the fish sticks. Fish sticks are fish frozen in blocks and cut up into small sticks. The sticks are coated with batter and precooked; then refrozen. Or they may be sold uncooked and frozen to be cooked quickly without mess or fuss by the housewife.

What It Means

They are important to Canadian fishermen for two reasons:

—A big export market for groundfish — cod and haddock—is growing in the United States. The Americans have their tariffs set up so we've next to no chance of selling pre-cooked Canada-made fish sticks there, but they need our fish to make their own.

—Canadian housewives are just really starting to follow the swing of their American counterparts, and already the domestic market for fish sticks looks important.

"Fish sticks have put fish into the convenience class along with such foods as sausages and bacon and eggs, as handy, quick foods to prepare," says a fish stick producer. They're even advertising fish sticks for use in seafood hot dogs.

Nova Scotia has the most fish stick plants, four of them. New Brunswick has one plant too. (Other provinces in other parts of Canada have one each: Newfoundland, Ontario and British Columbia).

Production of fish sticks in Canada was 1.6 million lb. Apply the "ten-to-one" rule of thumb for comparing American and Canadian economic quantities, as fish sticks still have a lot of room to expand before they begin to match U. S. levels of production.

That's why much bigger production figures are expected this year in Canada, as consumers continue to catch on to the trend.

Twenty-five plants in Canada are producing frozen blocks of groundfish for use here or for export to the U. S. — mostly the latter.

Nova Scotia has nine block producing plants, New Brunswick two as of the end of the year. This means that Nova Scotia is in second place, with Newfoundland first with its 12 block producing plants. (British Columbia and Quebec have one plant each).

All the block producing plants in Canada produced 33 million lb. last year, compared with four million lb. the year before.

Canada's role as an exporter of blocks is not singular; Norway and Iceland have developed their participation in the fish stick business along the same lines.

Market "Unknown"

Fish stick production in the United States is estimated at 50 million lb. during 1954. That makes it about seven times as much as the year before, when it was 7.5 million lb. (It did not climb as high as predicted last year though — some people thought the market would call for 90 million lb.).

Just how much consumption is involved isn't known. Fish sticks are a new product, so a lot of production, it's figured, goes to fill up the distribution "pipeline." Even stocking up home freezers may be a relatively big figure, in the States where there are so many of those appliances.

The export market for groundfish for U. S. manufacture into fish sticks was the chief reason for the great increase in groundfish production throughout the Atlantic region last year.

The three Maritime provinces chalked up a catch of cod and haddock of $15.8 millions landed value or 32% more than the year before.

All of which had a lot to do with raising Canada's total fisheries products exports 16% last year to an all-time high.

Almost a third of the Atlantic catch of cod, Newfoundland excluded but Quebec included, was used for frozen fillets in 1954. That represents a huge increase over only 18% of the cod catch in 1953.

Again the big reason is these blocks of frozen fillets exported to the U. S.

About 56% of the haddock catch was used as frozen fillets, compared with 48% the year before.

Frozen fillets in attractive packages, fish sticks quite aside, have also been coming into wider consumer popularity with consumers in Canada.

Fish sticks are a logical development from the swing to packaged, quick frozen fish that is already well advanced.

The big chain stores that are doing so much of total food trade these days in some cases refuse to handle fresh fish at all. They don't want the mess, the spoilage and they also believe the customer doesn't either.

Chain stores have really been doing the fisherman a big favor by their insistence on and promotion of packaged, frozen fish in various forms, industry leaders say.

Freezing also brings the powerful merchandising device of packaging and brand names into play.

The best brains in the packaging business are being brought to bear on bright colors, and appealing design to sell fish to the inland housewife.

Packaged and branded frozen fish is now available in shrimp, scallops, sole, salmon, cod, haddock and other types. Many variations are sold both uncooked and precooked.

Aim At Higher Consumption

This method of selling fish to Canadians outside the Maritimes is so important because they just do not eat fresh fish in the same degree Maritimers do. Despite aggressive promotion, the fishing industry has had to conclude there are limits to how much fresh fish people in Ontario, say, can ever be persuaded to eat.

Salt fish aren't popular with the Canadian public. This variety is eaten mostly by low-income people in warm countries. (Though European immigrants in big cities are said to present a small new domestic market for some kinds of cured fish. They like it because they used to eat it overseas).

The other notable development in Maritime fishing just now lies in fish finding equipment. The echo sounder, using sonic waves to find the bottom of the sea, (or a sub) is not new. But modern fish finding equipment represents a special adaptation.

What is said to be the first commercial unit in the Maritimes was installed early last year. Most larger new boats coming into service are being equipped with it.

There are at least four makes on sale in the Maritimes. Two are German-made, one is British, one is American made. (One of the German brands is handled by a leading American electronics firm).

Fish appear as horizontal traces on a cathode ray tube. The depth at which this school appears can be read from a calibrated scale across the face of the tube. The operator can get a "close up" of a section of the water, too.

Fish finding equipment costs money but promises savings and lower costs to the fisherman. He doesn't waste time fishing if the screen tells him there are not fish present.

If there are fish, he can tell the size of a haul to count on and the direction of the centre of the shoal where fish are usually the thickest.

He can get out and get his fish and get back to port in a shorter

(Continued on page 55)

Quality Wins Markets For N.B. Seed Oats

The largest seed grain cleaning plant east of Toronto is the hub of a Maritime export industry outstanding for achievements in quality. Seed grain from Hartland, New Brunswick, is shipped regularly to New York State and markets as distant as Manitoba, North Dakota and Ohio.

About 50% of seed oats sent out from the province goes to the U. S. and Western Canada. Some is sold in Ontario and the rest goes to other parts of the Maritimes.

Western demand is attributed to freedom of the seed from wild oats. Of the thousands of tests over many years, only one showed a trace of wild oats.

Since 1945, New Brunswick seed growers who use the Hartland plant have swept Maritimes Winter Fair contests for all farm seeds. In the last three years, there have also been noteworthy successes at Toronto and Chicago. In 1953, in 31 entries at the Royal Winter Fair at Toronto, the co-operative won with 26. At Chicago, with 26 entries, the New Brunswick farmers won a fourth and fifth place.

The Government launched the seed cleaning plant, and Carleton County Seed Growers Association acted as sales agency. When the association became Carleton County Seed Growers Co-operative, it acquired the plant. The organization is now New Brunswick Seed Growers Co-operative Ltd. It has 300 members in Carleton, Victoria, York and Madawaska counties. But the plant cleans seed from all over the province.

It handles clean registered and certified oats and barley, also wheat, forage crop seeds, timothy and clover.

It usually cleans 200,000 bushels of seed grains, with about 100,000 bushels exported to the U. S. Forage crop seeds in the crop year before last were around one million bushels.

The quality of seed is helped by the fact that the grains are grown as part of crop rotation schemes on heavily fertilized land — potatoes, oats and barley and then forage crops.

A feed mill was started as a sideline to take farmers' grain that would not meet seed requirements. The feed mill has subsequently been enlarged. Its output increased four times in dollar volume over three years, and has passed $300,000 a year.

Seed grain delivery, dates and prices are all contracted a year in advance, which stabilizes the industry. An initial payment is made to growers on delivery; the balance is paid at the close of the season and profits distributed after audit of accounts.

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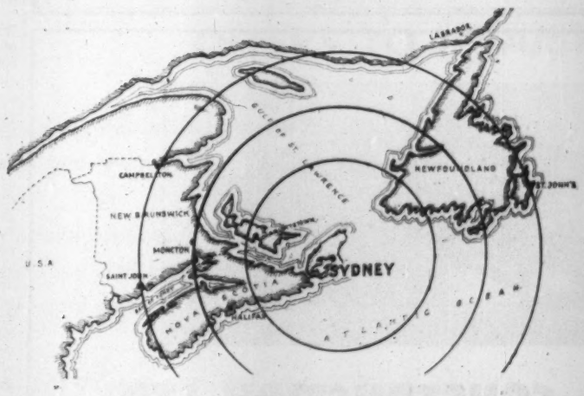

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Science Battles For Forest Wealth

How to make more money out of forest resources in the years ahead is a question bulking large in the minds of expansion-minded Maritimers.

In New Brunswick, a provincial commission is just beginning to explore longterm outlook for that province's forest industries. Income from the trees can be doubled in half a lifetime if citizens believe it can be done, the chairman has declared.

A key conservation measure of immediate importance—the battle against the budworm—continues. One million acres will be sprayed from aircraft in the northern part of New Brunswick this year.

Nova Scotia may have much greater woodlands potential than has been realized, according to the government there. A forest inventory has just been completed in Cape Breton Island. It is part of a province-wide inventory, to be completed in 1957; it's one third done now.

There's also increasing emphasis on forest management and conservation in Nova Scotia. The pulp and paper industry may expand, with a new $10 million mill mooted by a big company which already runs a mill at Sheet Harbor.

In Prince Edward Island, reforestation is proceeding on a modest scale; first seedlings were planted from a new nursery last year. Expansion possibilities are, of course, limited but the province continues to export pulpwood to a healthy market.

Greatest Asset

New Brunswick's forests "still remain our most important asset," says Hon. Norman B. Buchanan. He is not at all biased against the importance of the growing mineral industry, as he is Minister of Mines as well as Lands.

"Over and above any wealth that our newly found minerals, agriculture and fisheries may bring us, stands the value of our Crown and privately owned forest lands. These have been the mainstay of New Brunswick economy from the earliest days of the province and will continue to be so," he says.

New Brunswick's forest resources still offer the best chance for raising the province's living standard, says Dr. John S. Bates, chairman of the Forest Development Commission. The Forest Development Commission's terms of reference call on it to report on protection, development and utilization for all purposes. The members are asked to look specially at these matters:

—Local, national and expert markets for forest products and marketing methods that may stabilize and expand the forest industries on both Crown and privately owned lands.

—Nature and extent of the province's resources both crown and privately owned and the possibilities of increasing the annual yield from the forest. The commission won't undertake surveys itself, but will study existing and forthcoming information.

—How increased production from nature stands may be achieved with special attention to the advantages that would accrue from greater use of hardwoods and from closer integration of various types of forest operations and of industries which utilize forest products.

Manufacturing methods and relative costs of various processing. Significance of availability and cost of electric power is included in this topic.

—Statutes, orders, regulations and practices as they affect provincial Crown forests, with the ultimate objective of maximum annual output of forest products.

—Need for and method of controlling cutting operations on privately owned lands to obtain maximum continuous yields.

—Ways of co-ordinating fire protection efforts of the province, municipalities and private forest owners, with efficiency and over-all economy in mind.

Ideas Invited

The commission is tackling its job from the broadest base possible. It is inviting anyone with ideas on the subject to put them forward. There may or may not be some hearings; most members of the public will put their views before the commission in writing though.

Organizations with a special interest in the forests will be invited to submit opinions.

Public participation will also help the public form opinions, says Dr. Bates. "Over the years it will be the people of the province who ensure the welfare of our forests."

One forestry expert terms the commission's problem as finding how to "make two trees grow where one grew before." Not literally, but metaphorically. It's hoped to get the dollar value of two trees for each one harvested now.

That would mean more trees too but also better use of present forests. Reforestation is only a part.

Waste occurs if trees are not cut when they should be. A new tree could get a start if the old tree were removed when it's time has come. Also, there's waste when trees are harvested prematurely.

Operators may cut for pine and waste hardwood. They may "high grade" in sawlog operations, leaving waste woods and tops, crooked trees and small trees.

The integrated operations mentioned in the New Brunswick commission's terms of reference is something that will be encouraged in both the Maritimes' big forest provinces. Producing both sawlogs and pulpwood, they'll get more out of an acre.

There'll also be increased emphasis on research on waste materials that are not used at all now. (One New Brunswick mill has had notable success with a "particle board" made of wood waste and synthetic resin.)

Lumber production in Nova Scotia is probably as high as is desirable in peacetime, according to one expert opinion. There is more room for orderly expansion of pulpwood production, though.

With better use of forest resources the province's forests could support in time a sizeable increase in pulpwood production, it's considered.

In the long run, the province might be capable of producing twice as much pulpwood as it does now, it is said.

Hearst interests have been thinking about a $10 million new newsprint mill that would add 200 tons to their daily capacity. They already have a groundwood mill at Sheet Harbor, and have considered that location as a site.

People in other areas of the province are trying to persuade Hearst to build in their districts instead. Mulgrave, which used to be a terminus of the Canso Strait ferry line, would like to have it; a considerable number of men are out of work there because the Canso Causeway is now in operation.

Crown Purchase Plan

Only 8% of production in Nova Scotia is off Crown land. This proportion has been increasing, however, every year under present policy.

In 20 years, 25% of forestry production will come off Crown land, it's estimated. Much of the Crown land was cut and burned in the past. These losses are being repaired by reforestation.

Also the Government is adding to its lands by purchase of about a half million acres in the last 15 years. These purchases are confined to cut and burned over land.

The policy is to add until the Government owns a third of forest lands. Half that objective has been reached.

The Government is promoting forest management, putting its own house in order first and helping private owners too. It works closely with farmers to encourage better woodlot management, getting out bulletins and holding field days.

Nova Scotia's climate is a great help to growth and regeneration of cut and burned over land. The moisture also helps in fire prevention.

Another big advantage the province's forest economy has is the fact that little road building has to be done to develop forest resources. Few stands of timber are far from transportation facilities. Operating costs are lower than in other parts of Canada, where sometimes wood takes two years to get from the stump to the mill.

About one million acres of New Brunswick are being sprayed this year by the largest air fleet ever assembled for spraying forests against budworm infestation attacks. It will cover the province and adjacent parts of Quebec.

It has been necessary to continue the campaign, because insect damage is still serious. Just how big the job will be next year won't be known till sample surveys are made of budworm eggs later this summer.

The final outcome of the struggle between the foresters and the budworm remains in doubt, a scientist states.

Budworm infestation in New Brunswick now covers 13,000 sq. mi. Most of the northern half of the province is heavily infested.

Spraying Effective

Spraying in 1955 covers about the same area as last year in New Brunswick. It is the fourth year that the chemical war has been waged.

Targets for this year are west and north of previously sprayed territory. It will be necessary to carry loads of insecticide farther this year than last because the plots to be sprayed are more widely scattered.

Planes are using six of eight budworm air strips constructed earlier.

Air and ground surveys show that spraying has so far kept alive large areas of forest that would be dead or dying right now otherwise. The Federal Forest Biology laboratory in Fredericton reports that in the 1.1 million acres sprayed last year, about half the new shoots and needles stayed on trees under insect attack. In a check plot which was left unsprayed, only occasional shoots remained. Trees sprayed earlier had generally recovered well also.

Trees are definitely in improved condition the year after spraying. In fact, the highest proportion ever recorded of new foliage was saved by the 1954 spraying.

Respraying may be necessary later. Moth flights cause the reinfestation of some sprayed areas. But number of eggs is lower in sprayed areas than unsprayed areas, the surveys show.

Financial arrangements are being continued. Costs of the budworm war are split three ways among the Federal and New Brunswick Governments and private companies concerned. The companies are Bathurst Power & Paper Co., Fraser Companies Ltd., Irving Pulp & Paper Co. and New Brunswick International Paper Co.

Forest Protection Ltd., a co-operative company, carries out the job for the sponsoring parties.

Research is continuing on the effect of DDT on fish. The Fisheries Research Board of Canada investigated results of last year's spraying in the Northwest Miramichi area. They found that DDT cut down the numbers of very young salmon, and killed water insects they feed on. But they did not find any harmful effects on grilse or adult salmon.

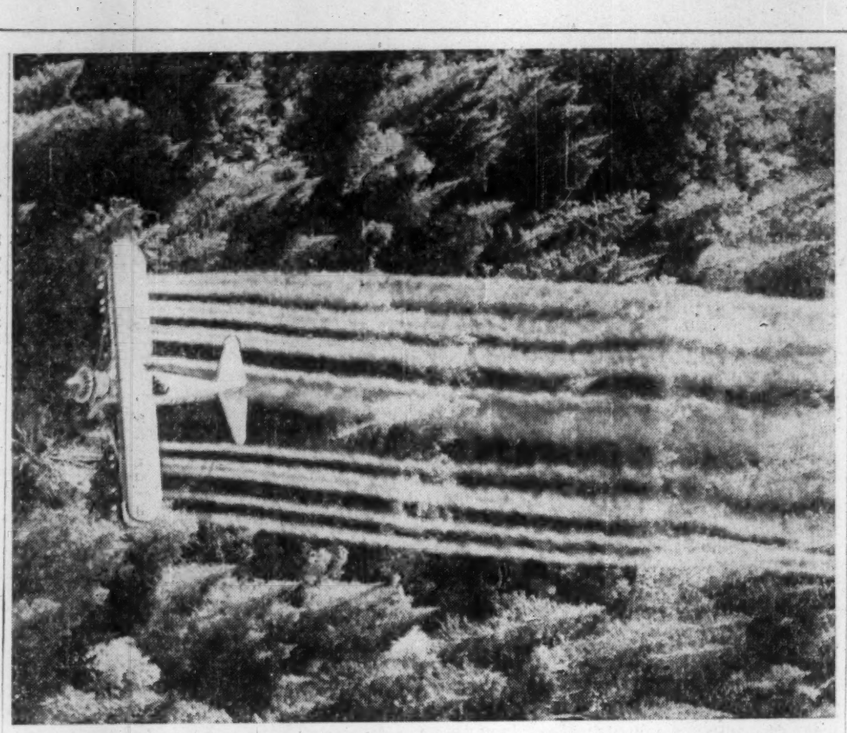
There is no evidence that permanent reductions in fish production occur as a result of forest spraying.

It is also denied that the spruce budworm is being driven out of the forest by spraying and caused to infest new areas. Spraying reduces the larvae population and so must result in smaller moth migration in July than otherwise, it is claimed.

The budworm does spread, but by the wind carrying moths into new areas. The moths do not come out of the pupal stage until after the spraying.

If the budworm should spread to the southern part of New Brunswick, infestation would not have such serious effects, it's said. Forests there have lower fir content and thus are less susceptible to damage.

Nova Scotia has some budworm infestation. It is found mostly in the Highland National Park area and also at Cape George in Antigonish County.



BIGGEST AIR SPRAYING FLEET ever to tackle a forest anywhere, some 80 planes, is a-wing in New Brunswick and adjacent parts of Quebec this year. Target for the fumes of DDT is the spruce budworm, destroyer of forests. They're spraying about one million acres in New Brunswick this year. This continued program seems to be paying dividends, forest scientists report. Sprayed forests, ravaged earlier, are coming back.

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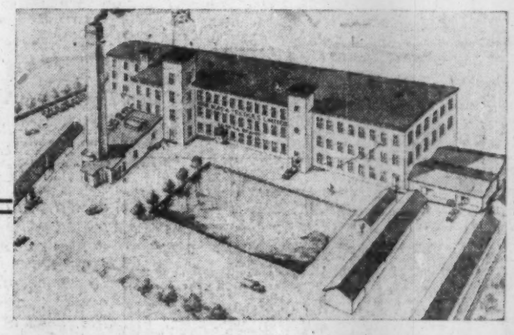

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How Maritimes Utilities Progress

Acadian Lines

Acadian Lines operates a motor transportation system from Halifax, covering a large part of Nova Scotia. The business is owned and directed by United Service Corp., a holding company at Halifax.

Assets of Acadian Lines at Dec. 31, 1954 were shown on the parent company's balance sheet at $499,835 ($529,648 in 1953), including $43,739 ($45,073) current assets; $170,397 ($189,228) properties, buses, etc. less depreciation; $285,699 ($295,347) loans to and investments in other companies. Current liabilities were $45,929 ($121,335).

Profit from operation of United Service Corp. building and of Acadian Lines (directors' fees paid $3,400) were $82,504 ($70,354) in 1954.

Controlling interest in United Service Corp. was purchased in May from Fred C. Manning, Halifax, and associates. Purchaser was W. C. Pitfield & Co., Montreal investment firm, acting in association with and on behalf of United North Atlantic Securities Ltd. United North Atlantic was formed a couple of years ago by U. K., U. S., European and Canadian interests to invest in Canadian enterprises.

Atlantic Util.

Atlantic Utilities Ltd., a holding company, is a wholly owned subsidiary of Maritime Telegraph & Telephone Co. Its two subsidiaries operate, respectively, the principal telephone system of Prince Edward Island and a garage and paint shop.

The company owns land, buildings and equipment in Nova Scotia valued at over $322,000 at the end of 1947, plus 75% of the outstanding common stocks of Island Telephone Co. and all the shares of Eastern Electric & Supply Co. The former of the two subsidiaries provides telephone service to a population of over 90,000 on Prince Edward Island. Chief customer of the garage and paint shop, operated by the other subsidiaries, is Atlantic Utilities itself.

Separate financial statements are not released on the company.

Canada Electric

Canada Electric Co. supplies electric light and power to the industrial area in Northwest Nova Scotia, and to a section in Southeastern New Brunswick. Wholesale power is also supplied to Springhill and Oxford and to Eastern Electric & Development Co. at the New Brunswick boundary for distribution in Sackville and district. It sells power to the Dominion Coal Co. mines at Springhill and to other mining companies in the Cumberland fields.

The company serves an area containing about 32,000 people, and either directly or through subsidiaries, some 9,000 retail customers. Generating capacity totals 40,000 hp.

Gross operating revenue in 1954 totaled $1,240,647, up from $1,196,292 the previous year. Operating expense was also higher, due to wage adjustments and further reduction of the work week from 44 to 40 hours, in addition to the regular demands of larger output. Net profit at $112,933 compared with $96,959 in 1953.

A total of 67.1 million kwh were generated in the company's plant, a gain of about 7% over the previous year.

Gross additions on capital account in 1954 totaled $193,789. The addition to the general office was completed, some rural extensions made, and demands of general expansion looked after, it was stated.

"A further increase in demand for electric service is anticipated in the current year," reported President N. T. Avard.

Eastern Elec.

Eastern Electric & Development Co. operates an electric transmission and distribution system serving over 900 connections in the Sackville area of New Brunswick. Energy is purchased from Canada Electric Co. at the Nova Scotia border and transmitted to Sackville and other communities for distribution.

The company also resells to the New Brunswick Power Commission at a point north of Sackville. Power is then transmitted over the Power Commission's own lines for distribution at Cape Tormentine and intervening communities. Sales have increased considerably in recent years.

The company is a wholly owned subsidiary of Eastern Utilities Co.

Eastern L & P

Eastern Light & Power serves all the eastern part of Cape Breton Island except Glace Bay. It distributes electricity in Sydney, N.S., while its wholly owned subsidiary, Dominion Utilities Ltd., supplies electricity to adjoining areas and also owns and operates the New Waterford water system. Power for both companies is purchased from Seaboard Power Co.

Gross operating revenues increased 8.6%, operating and maintenance expenses 10.2%, and wages and salaries 8.9% in 1954. Cost of purchased power was 71% of total expenses, with kilowatthour sales up 9.6% at 56,173,000 kwh.

Net profit in 1954 was $158,404, down 0.4% from 1953's $159,422. Gross earnings totaled $1,592,521 ($1,461,992).

Capital expenditures amounted to $346,779 ($252,860).

Eastern Utilities

Eastern Utilities Co., a holding company, supplies electric power to Moncton, Amherst, Sackville and district in the Cumberland coal basin, to Dominion Coal Co., and to other public utility systems for retail distribution, through subsidiaries.

Natural gas is supplied to Moncton and Hillsboro, as well as transportation to the Cumberland fields.

The company's three wholly owned subsidiaries are Canada Electric Co., Eastern Electric & Development Co. and Joggins Coal Co. It controls two other firms—Moncton Electricity & Gas Co. and Maritime Coal, Railway & Power Co. An interest is also held in Electric Ice Co., Port of Spain, Trinidad.

Report on 1954 operations is not available. In 1953, net profit of $107,136 was up 29% from the 1952's $83,018, with the increase due mainly to higher dividends from Moncton Electricity & Gas. Joggins Coal sales were down, and it failed to pay a dividend, while Maritime Coal, Railway and Power lost freight because of the Joggins decreases. All possible steps were being taken to restore the situation in 1954, it was stated.

Island Tel.

Island Telephone Co. owns and operates the main telephone system of Prince Edward Island. It serves a population of 90,000 and now has more than 12,500 telephones in service. About 75% of the common shares are held by Atlantic Utilities Ltd., a wholly owned subsidiary of Maritime Telegraph & Telephone Co., Halifax.

Interconnection with the mainland telephone system is maintained by a microwave radio link, a VHF radio link and two cables owned by the Federal Government.

Gross operating revenue in 1954 increased by 9% to $898,754, and increase in operating costs was 2.85% ($609,108 vs. $592,826). Net profit increased to $95,859 ($88,568).

Capital expenditures last year were considerably below those of the previous two years when the Charlottetown dial installation and associated outside plant arrangement involved outlays totaling more than $1½ millions. Gross construction amounted to $214,454 in 1954 and net additions to plant $97,860.

Moncton E & Gas

Moncton Electricity & Gas Co. supplies electric service in Moncton, N.B., and suburbs, and supplies natural gas for Moncton and Hillsboro. Electric properties consist essentially of distribution lines. Energy is bought, under contract to the City of Moncton, from the New Brunswick Power Commission at approximate cost to the city.

Natural gas comes from the Stony Creek field, 11 miles from Moncton. The company leases electric and gas manufacturing plants and the distribution system from the city, paying an annual rental for use of the property. It has first call on all natural gas produced in the Stony Creek field.

The company is a subsidiary of Eastern Utilities, which owns all but 37 of the 13,089 issued shares. It controls Maritime Coal, Railway & Power Co.

Maritime Electric

Maritime Electric Co. supplies light and power to Charlottetown, Montague and 25 other Prince Edward Island communities. Company owns five turbo-generators with a combined capacity of 15,000 kw.

The company also buys power from the New Brunswick Electric Power Commission to supply Fredericton and eight other communities in New Brunswick.

Gross operating revenue in 1954 was $2,021,275 ($1,884,093 in 1953) and operating expenses $1,348,757 ($1,216,341). Net profit was $209,086 ($213,824).

Company recently sold $2½ million 4% first mortgage sinking fund bonds due 1975 at 99.50. Proceeds were for retirement of $1,907,500 4½% first mortgage bonds and $293,000 5½% general mortgage bonds, both due in 1956, and for repayment of loans. The new issue will be the company's only funded debt.

Capital expenditures in 1955 are expected to total $500,000, of which $430,000 is expected to be available from operations. A new 7,500-kw. generating unit is on order for 1956 delivery.

Charlottetown system generated 33.5 million kwh. during the year, the Fredericton system purchased 27.0 million. Company was serving 16,735 customers at the end of 1954.

Maritime T & T

Maritime Telegraph & Telephone Co. operates close to 95% of the telephones in Nova Scotia, and since 1940 has almost tripled the number in service. Through control of Island Telephone Co., it also serves Prince Edward Island.

Maritime's lines connect with New Brunswick Telephone Co.'s system, and it has other connections for long-distance business, plus radio-telephone service to Newfoundland.

Last year, demand for new telephone installations slackened somewhat, but this was thought to be a temporary situation. It permitted Maritime T. & T. to review its operation as a whole and provide additional service facilities where necessary, and the company expects to furnish telephones shortly for the last few hundred people whose applications have been outstanding for some time.

At the end of 1954, telephones in service totaled 126,048, a gain of 4.15% for the year, with 76.6% of the total dial operated. Gross construction amounted to $4,078,221 and improvement of plant facilities increased total plant investment to $39,979,009—an average of $317 per telephone.

Gross operating revenue for 1954 jumped 7.5%, to $10,017,427. Local service revenue was up 6.22%, toll service revenue 1.29%, and miscellaneous revenue 4.59%. Operating expenses were 7.55% higher.

Net profit at $1,366,770 showed a 7.1% gain from $1,276,465 in 1953.

Operator toll dialing was further expanded during 1954, mainly by extension of the network reached through Boston. Toll

(Continued on page 56)

TV-Eye Helps Fill The Nets Of Maritimes Fishermen

(Continued from page 53)

period of time. The equipment thus gives somewhat the same economic advantage as radar, now in widespread use, which keeps the fleet moving faster and safer in foggy weather.

The maker of one brand of fish finding equipment states that it will show fish swimming about one inch apart individually on the screen. Fish swimming close to the sea bed are also clearly shown.

This latter point is important since groundfish like cod and haddock live near the ocean floor.

It requires a certain amount of training to use the new fish finding equipment. One firm has an expert from Germany in Halifax to travel out with the boats and give skippers pointers on the use of its make.

A large fishing firm which has used fish finders for about a year reports that it has definite advantages for some skippers, but a few haven't got onto its use yet.

How Exports Compare

Salt fish exports from Nova Scotia may be down slightly in value this year as against last, according to an informed opinion in the industry.

Operators complain of higher costs, each year, including this year, with higher prices for diesel fuel and for various supplies. (Rope is a little cheaper this year, though).

Jamaica and Puerto Rico, both important markets, have price control systems which include setting the price importers may pay for salt fish. They have recently been revising prices downwards in view of freight rates and (other factors), but, according to an industry leader, the result is to the disadvantage of the salt fish processor.

These prices do not take into account a proper premium for top grade fish, it's claimed.

"It's as if the price of No. 1 Northern Wheat was fixed at the level of No. 3," says a fisherman.

The Brazilian market dried up early last year when foreign exchange for purchase of fish became prohibitively expensive to Brazilian exporters. Foreign exchange for different purposes is auctioned in Brazil. As Norwegian currency is in little demand, relatively, Norwegian salt fish exporters are able to place their product in Brazil for substantially less than Canadians can.

The total volume of the business in Nova Scotia will be high, including fish imported from Newfoundland for salting. "Prosperity without profit," is the way an operator describes it.

Several draggers are said to have made no return on their investment last year.

Federal fisheries officials are continuing their drive for better and better standards of quality in fish.

Last fall they sampled 34 shipments of fish to a central Ontario city, that had been handled under typical conditions. They also made tests of keeping time, in ice, of other samples.

They found that all 34 lots arrived at their destination fresh. They kept an average of 12 to three days after arrival. About a quarter kept 10 days or more and half kept seven days or more.

Fisheries research experts have examined fish in retail stores in Ontario and Montreal six times between 1937 and 1954.

Each time they found some fish or fillets with enough spoilage that Maritimers would call them stale.

Detective work in Montreal outlets showed that most unfrozen fillets that had deteriorated had started to do so before they got to the retailer.

So the investigators carried their case right back to the trawlers. They found that the fish and fillets that show spoilage undergo most of it during stowage at sea.

The Government reached these conclusions:

Fish can be laid down in Ontario as fresh as fish now eaten at the coast, and with sufficient storage life to allow distribution in good state of preservation, provided the fillets are cared for properly in wholesale and retail establishments.

A proper system of quality control is needed in processing plants.

Improvements along the processing-distribution line might widen considerably the distribution of such fish from the Atlantic. If half the fish will keep in storage for a week or more in Ontario, proper attention to processing and distribution should make them all keep that long.

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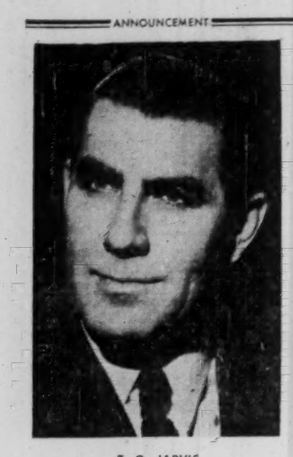

E. G. JARVIS

At the annual meeting of the shareholders recently held in Halifax, E. G. Jarvis, Assistant General Manager, Wm. Stairs, Son & Morrow Limited, was elected a director of the company.

How Utility Cos. Progress

(Continued from page 55)

dialing was also established between Nova Scotia and New Brunswick.

Interprovincial micro-wave circuits between Halifax and Saint John were increased by 23, and between Digby and Saint John by three. At the year end, there were 73 out-of-province radio circuits.

Early in the year, the Maritime route was established as an alternate route for trans-Canada and United States traffic. All types of traffic over the route have expanded materially since then.

No outside financing was needed in 1954, but company sold $3 million 3¾% 20-year first mortgage bonds last month. Proceeds will help pay for a $6.5 million construction program, with the balance to come from company resources.

N.B. Power Comm.

New Brunswick Electric Power Commission supplies most of New Brunswick's electricity, owning and operating hydro-electric and steam plants with total capacity of 151,000 hp.

Construction work on the initial stages of the Saint John River development at Beechwood is now getting under way. Costing $28 millions, it will involve two 45,000-hp units and, will be the first step in the proposed $100-million over-all development of three potential power sites on the New Brunswick section of the 425-mile Saint John international waterway.

Construction schedule calls for the first two 45,000-hp units to be in operation by late 1957. When a third is added later, total cost will reach $40 millions.

New Brunswick still hopes that some way will be found whereby federal government credit may be made available for the project.

Besides the initial work on Beechwood, New Brunswick Power Commission is adding 20,000 hp at its Chatham steam plant, expected to go into operation before 1957. Both Beechwood and the Chatham extension are designed to meet electrical needs of the anticipated development of the recent rich base metal and other mineral finds in New Brunswick, as well as place the commission in a position to furnish electricity to existing and new industries and plants as it is needed.

During the year ended March 31, 1954, the commission showed total power sales of $7,752,690, and gross income of $7,814,229, a 10.7% gain over the previous year. Operating expenses were up 8.7%, and the commission ended its fiscal year with a surplus of $121,088.

Fixed assets in use at March 31, 1954, were up $13.8 millions from the previous year-end. Loans from the province totaled $46.4 millions ($43.7 millions a year earlier).

Early this year, the province itself sold an $11.5-million issue of debentures. Part of the proceeds, $3.5 millions, was to be advanced to the commission.

N.B. Telephone

New Brunswick Telephone Co. owns and operates a telephone system covering New Brunswick and connecting with systems in the adjoining provinces. It had 92,487 telephones in service at the end of 1954, 4,637 more than a year earlier. During the year, the company completed a work program of $4,457,419, of which $3,820,948 was for new construction.

Gross revenue in 1954 rose to $8,208,152 ($7,568,533 in 1953) and net profit at $1,169,776 was up 5.4% ($1,110,015).

Improvement in long distance usage late in 1954 continued into this year.

Three major undertakings face it: construction of a micro-wave radio relay system from Saint John to Edmundston; provision of facilities at Camp Gagetown; and provision of facilities needed in co-ordinating with the continental toll dialing system.

The company's part of the initial cost of the first will be about $2.5 millions. The second project will involve expenditure of over $1 million. With regard to the third, it states that operator dialing will come into use between certain offices in 1955 and the number will gradually increase.

"It is obvious," stated President G. M. McKiel, "that high capital spending will place a temporary financial strain on the company's resources until such time as the usage of facilities thus provided builds up to a point where the resultant earnings fully support the investment."

Six new exchanges were opened during 1954, and $3,239,392 was added to investment in plant. Additional common stock sold during the year totaled 330,582 shares, $10 par. In addition, $1.3 millions of 4¾% debentures were delivered in 1954, bringing the total amount of this issue outstanding to $2 millions at Dec. 31.

Shareholders have approved an increase in authorized common stock to 3 million shares (now 2 million).

Nova Scotia L & P

Nova Scotia Light & Power Co., with its subsidiaries, is the biggest retail distributor of electricity in the Maritimes, supplying about 50% of the electric consumers in Nova Scotia. It operates all the power and public transportation services in Halifax, and supplies electricity to Dartmouth, Bedford, and many other communities.

Total population of the area served is over 300,000 and customers number about 78,000. Electricity sales in 1954 totaled 359.2 million kwhr, up from 329.4 million in 1953.

Generating stations of the company and subsidiaries have a total capacity of 127,510 hp. Now nearing completion is a 33,500 hp addition to the Halifax steam plant, while a 63,000 hp steam turbo-generator and associated boiler plant is on order for installation early in 1957.

To finance capital expenditures, the company recently sold $4 million, 4% 20-year first mortgage bonds. Last year it sold $4 million 4½% preference shares.

Gross earnings in 1954 reached $10,531,351, up substantially from $9,532,292 the previous year. Net profit rose to $1,375,750 from $1,164,588.

The company's transit department operates 81 modern trolley coaches in Halifax, including four purchased in 1954. Revenue passengers dropped slightly last year to 24.9 million from 15.1 million in 1953.

N. S. Power Comm.

Nova Scotia Power Commission sold 432 million kwhr of electricty in the year ended Nov. 30, 1954, up 7.2% from the previous year even though no new generating facilities were added. Two main factors were involved: an increase in demand and above-normal precipitation.

Installed capacity of the commission totals 133,622 hp now, and will be increased shortly. Machinery for the new 6,000 hp hydro plant on the Mersey River was scheduled for delivery this spring, and the $1,750,000-plant should go into production during late summer.

In the meantime, the commission also expects to complete shortly a new, $2-million 20,000 kw. steam unit at Trenton. Shipment of equipment was held up last year due to the British dock strike, and as a result commissioning of the machine is being delayed three or four months beyond the original schedule.

Total mileage of transmission and distribution lines operated by the commission rose by 3.5% to 4,270 last year. In addition, the total number of customers served increased by almost 5.7% to 28,825.

Total revenue increased to $4,944,874 in 1954, from $4,719,783. Operating expenses were higher, but net revenue increased to $2,128,100 from $2,066,884.

Total rating of Nova Scotia Power Commission's diesel units dropped from 3,167 hp to 2,817 hp in 1954. This was due to discontinuance of the generating station at MacIntyre Lake, made possible by the major inter-connection of the South Cape Breton network with the Seaboard Power Corp. steam electric station at Glace Bay.

Seaboard Power

Seaboard Power Co., wholly owned by Dominion Steel & Coal Corp., supplies electric power to the parent company's works and the mines of associated companies. Power stations at the Sydney steel works, and those of Dominion Coal Co. and Nova Scotia Steel & Coal Co., are interconnected with its system.

Seaboard supplies power to Eastern Light & Power Co. and the towns of Glace Bay, Sydney, New Waterford, Dominion, North Sydney, Sydney Mines, etc.

The company's station at Glace Bay uses powdered coal supplied by Dominion Coal Co. to generate electricity. It has expanded considerably in recent years, adding a No. 3 generating unit of 18,750 kva in 1951 and a fourth of the same size in 1954. It will shortly put a fifth unit, also 18,750 kva, in operation.

Businessmen Seek Industry With $500,000 Loan Fund

Sydney, like many a Canadian community, wants new industry. And judging from what's underway in the coastal town, Sydney is going to be a tougher competitor.

An automobile salesman sold his community on the idea, and now they're setting out to sell the community to industrialists and would-be industrialists.

Sydney is not an underdeveloped community by any means. It has a huge steel mill, big adjacent coal mines, a lumber industry, and fish. But the coal industry has been having some heavy going, and it looks as if it won't be very prosperous for a few years now.

So motor dealer Gordon Elman took a leaf from the book of New England communities which found their fortunes declining. He suggested that citizens of Sydney should reach into their pockets and subscribe $500,000.

Businessmen and other leaders in the locality took it up with enthusiasm.

They incorporated Sydney Industrial Development Co. and elected Elman their president.

Some 60 subscribers have put up $2,000 each for 20 shares apiece. (Nobody can own over 40 shares, so no one can get control over the company.) The 40-share limit, though, allows a shareholder to buy shares from another shareholder's estate. More people can subscribe if they want to; and the stock is transferable.

Now they're looking for industry, and are limbering up a promotion program.

What kind of industry?

Any industry that seems likely to succeed in the Atlantic provinces. No money for industries that would compete with job-providers already in Sydney or its territory.

"We are looking for brand new industries," says Elman.

Buildings are available on railroad sidings if necessary. Sydney is, of course, a port also. And already the big heavy industry centre in the Maritimes with its steel and coal.

What kind of loan? Maybe an outright loan, maybe a mortgage on buildings, maybe purchase of stock instead of a loan.

Whether the corporation's insisted on a first mortgage security on the company's assets would presumably influence whether money would also be available from the federal government's Industrial Development Bank or the province's loan fund for new industry.

There are eleven directors including the officers. Nobody gets any pay; they donate their time to help build their community. (Some gave a lot of time during the organizing stage, too.)

President of "SIDCO" is Elman. First vice-president is John R. MacDonald, a wholesale grocer; second vice-president, D. J. Buckley, druggist; secretary, Victor Coffin, broker; treasurer, Russell G. Urquhart, in the transportation business.

M. B. Vail, a launderer, heads the committee that will investigate loan prospects. Other members of this committee are R. J. Logue, an automotive dealer like Elman; M. R. Chappell, contractor; Jack Yazer, merchant; Ben O'Neil, president of United Steel Workers of America, Local 1084, and Ted MacDonald, general manager of Co-op. Services.

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HYDRO-ELECTRIC DEVELOPMENTS
N.S. Power Commission, Dickie Brook, N.S.
N.S. Power Commission, Bear River, N.S.
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• **$50,000,000** Camp Gagetown under construction
• **10,000** troops in summer training
• **$15,500,000** Provincial Road Construction Program in which we share heavily
• **HOME BUILDING** double last year's figure and all types of construction surging
• **VAST MINERAL DEVELOPMENTS** going strong
• **INCREASED LUMBER and AGRICULTURAL ACTIVITIES.**
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Trust Co. Mortgage Reserve Allowed In New Tax Bill

OTTAWA (Staff)—As usual the Income Tax Bill contains a number of important changes which were not covered in the budget resolutions. The most important this year is one which allows trust companies to establish mortgage reserves. This is a change they have been requesting for some time, and it is provided in a new Section 85g.

The new tax status of investment companies is clarified. The choice whether to be taxed as an ordinary corporation or not is canceled, as promised in the resolution; and tax is to be levied at the rate of 20% on all taxable income. A new condition inserted in the bill is that a company cannot qualify as an investment corporation unless at least 60% of its gross revenue comes from dividends of taxable corporations.

The new provision covering the purchase of a corporation by a non-resident corporation or a tax exempt organization in Canada is extended beyond the original resolution. It now also covers the case where a corporation is acquired by a dealer in securities. The resolution announced a 15% tax on dividends paid out of designated surplus to a non-resident corporation or a tax exempt organization. The bill also provides a tax of 20% where the dividends from designated surplus are paid to a trader or dealer in securities.

In connection with the Resolution covering sale of inventory or accounts receivable, a new departure has been made by allowing farmers and professional men to use a cash method of accounting. The basic change is to provide that proceeds from the sale of inventory or accounts receivable on disposing of a business must be carried into income, but may be spread over the preceding three years.

In applying this principle to farmers and professional men who might not be on an accrual method of accounting, it became necessary to give the first formal recognition and definition to a cash method of accounting. It applies only to these two classes of occupation, and it is permissive, not compulsory.

The income tax amendments cover 30 pages and make 34 different changes. Here are details of some of the more important of them:

Mortgage Reserves. Trust companies and organizations whose business includes mortgages may now set up a special reserve instead of the reserve for doubtful debts allowed under Section 11 (1) (e). It is more like the reserve allowed to the banks under 11 (4), but more strictly circumscribed.

The arrangement laid down ensures that these reserves may only be built up gradually and may never be larger than 3% of principal outstanding plus overdue interest plus the value of foreclosed property.

In the first year only one twelfth of this amount may be put to the reserve, and another one twelfth of the 3% may be added each year thereafter. So in effect it will take 12 years to build up the full 3% reserve.

No deduction may be put to reserve in respect of loans under the Government's Housing Acts.

Investment Companies. The new tax law will benefit the majority of Canadian investment companies which had previously elected to be taxed the full 47% on their taxable income, so that their shareholders could claim a 20% dividend credit. It will not be so welcome to the companies which had elected the tax-exempt status because many of their shareholders are U. K. residents who cannot claim the 20% tax credit on dividends anyway.

Now all investment companies will pay 20% on their taxable income—that is to say, on their interest from bonds. They are not taxable on dividends received from another Canadian company. But this 20% tax on interest receipts will enable Canadian shareholders to claim their 20% dividend credit on dividends from the investment companies.

In order to prevent abuse of the 20% tax rule, it has been provided—on the suggestion of some of the companies themselves — they must get at least 60% of their gross revenues from dividends.

Non-Resident Corporations: In accordance with the budget resolution, income from the use of timber limits in Canada is added to the classes of income liable to a 15% withholding tax on payments to non-residents.

But following on this change, non-resident operators of timber limits are also allowed the choice between paying tax as a Canadian on net income and paying non-resident tax on gross income. This choice was already open to non-residents receiving rents on real property in Canada.

But the alternative choices are being tightened up in the new bill; and these changes apply to non-residents receiving rents as well as timber royalties. They can now elect to be taxed as Canadians on their net income after expenses and after capital cost allowances. But if they do choose to be taxed this way it is now provided that they must be treated as Canadians right through the piece even when they dispose of the property. This means a non-resident owner selling real property in Cnaada, who had chosen to take his capital cost allowances and pay tax only on net income, will be liable to tax on the proceeds of sale of his property when such proceeds exceed its undepreciated capital cost.

As promised in the budget resolutions, it is also provided that a non-resident-owned investment corporation will lose its n.r.o. tax status if more than 10% of its revenues comes from rents.

Foreign Business Corporations. A new requirement for the status of foreign business corporation (not taxable in Canada) is that not more than 10% of its revenue should come from leasing or operating ships or aircraft. This was put in to prevent a situation which, it was believed, was about to be exploited. As things stood before, a shipping company, managing ships of another flag from Canada and earning its income from shipping services, could have avoided paying tax to any government. This is because all Canada's double taxation agreements provide that Canada will not tax other countries' shipping lines trading into Canada, nor will they tax Canadian ships trading into their ports.

If, in addition, the company could keep the tax-free status of a foreign business corporation, it would get out of taxes all ways.

Mining, Exploration, Prospecting and Development Expenses. The bill carries out the promise of the resolutions to:

—Put the three-year exemption for new mines on a permanent basis.

—Extend it to all mines (including coal, rock-salt oil shale, etc.), except oil and gas wells, sand and gravel pits and stone quarries.

—Permit deduction of development expenses by one taxpayer when they are incurred on account of another company in return for an option to buy shares.

Dividends out of Designated Surplus. The budget resolution promised to plug a loophole by which the undistributed income of a company acquired by a non-resident or a tax-exempt foundation might have been got out tax-free or at the low n.v.o. rate. The bill does this, and also adds security dealers.

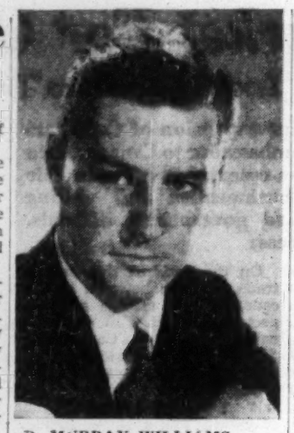
Nonresidents or tax-exempt organizations receiving a dividend out of the designated surplus of a corporation which they have acquired will have to pay 15% tax on it, unless it was received under certain strict conditions as a gift. A security dealer in similar circumstances will have to pay 20% tax on the dividend.

This is because a security dealer could acquire the shares of a company with a large undistributed surplus and pay himself a dividend to use up the surplus. He would have to pay tax on this dividend, but he could then write off the purchase price of the shares as a loss.

Gifts. The provisions of Sections 21 and 22 about liability for tax on gifts to a spouse or a minor is changed in two respects. Formerly the liability was said to rest on the donor for ever: now it is limited to "the lifetime of the transferor while he is resident in Canada" — which makes it clear that the liability after that rests on the recipient. Secondly provision is made for divorce by adding "So long as the transferee is his spouse."

Support of a Dependent. Formerly a man supporting a relation in a "self-contained domestic establishment" could claim a married exemption of $2,000, only if the dependent relative was wholly dependent on him. If someone else contributed to the cost of support the exemption could not be claimed at all. Now it is provided that even where several relatives share the cost, one of them may claim the $2,000 exemption.

Parent includes "In-laws." To set right a recent decision of the Income Tax Appeal Board, a new amendment states that "parent includes mother-in-law and father-in-law."



D. MURRAY WILLIAMS

has been appointed director and general manager of Westward Shipping Ltd., Vancouver.

Offer Preferred In Refinery Co. For Peace River

A new issue of 90,000 $10 par 6% cumulative redeemable sinking fund preferred shares of X-L Refineries Ltd. is being offered at $10 by Osler, Hammond & Nanton Ltd. The preferred shares carry warrants to purchase two common shares at $1 for each preferred from May 15, 1956, to May 15, 1960.

X-L Refineries is controlled by Excelsior Refineries Ltd., which operates a refinery and oil wells in the Lloydminster area. X-L was incorporated in December to build a 2,000-barrel-a-day refinery at Dawson Creek, B.C. This refinery will cost up to $1.6 million and is expected to be completed by November 30.

The refinery is designed to serve the Peace River area with crude oil supplies coming from the Sturgeon Lake field. Situated on about 28 acres on the outskirts of Dawson Creek, the refinery will include a crude skimming unit, thermal-cracking unit, catalytic reforming unit and treating units for gasoline and kerosene. Closest refineries to the Peace River area are at Edmonton at the present time.

The prospectus for the offering shows estimated earnings at $524,842 at full capacity and $86,479 at half-capacity, sufficient to cover preferred annual dividend requirements 9.7 times and 1.6 times respectively.

The preferred shares are redeemable at $10.40 and the sinking fund, starting in 1956, provides for setting aside the lesser amount of 10% of consolidated net earnings or 3% of the par value of largest amount of preferred shares outstanding at any one time.

The shares are nonvoting unless three semiannual dividends are in arrears. In this event, each preferred will have one vote or the number of votes which equals the closest whole figure arrived at by dividing the common shares outstanding by preferred outstanding, whichever number of votes is greater. If there are 30,000 or less preferred outstanding, then each preferred receives 10 votes.

The refinery will be paid for out of the preferred issue, a $600,000 first mortgage loan and sale of 800,000 common shares for $525,000. Authorized capitalization on completion of financing will be a $700,000 first mortgage loan of which $600,000 will be outstanding; $1 million of preferred stock of which $900,000 will be outstanding and one million common shares of which 800,007 are to be outstanding.

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Consider the matter of office equipment, for example. Specifically typewriters. Do you know that, with your present equipment you can actually be *losing money* every day?

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THIS IS NOT A BOAST, NOT A CLAIM. IT IS A PLEDGE TO YOU, THE CANADIAN MOTORIST—A PLEDGE BACKED BY THE RESOURCES—*and the integrity*—OF THE BRITISH AMERICAN OIL COMPANY LIMITED.

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BOOKER BROTHERS, McCONNELL & CO.

(Colonial Merchants and Traders, Sugar Producers, Shipowners and Rum Merchants)

A YEAR OF CONSOLIDATION AND PROGRESS

IMPROVED PROFIT EARNING CAPACITY AND FINANCIAL STRENGTH

NEED FOR INSPIRED POLITICAL LEADERSHIP IN BRITISH GUIANA

MR. J. M. CAMPBELL ON MAJOR DEVELOPMENT PROGRAMME

The fifty-fifth Annual General Meeting of Booker Brothers, McConnell & Co., Limited, will be held in the Library of the West India Committee, at 40, Norfolk Street, London, England, on Wednesday, June 29, at 12 noon.

The Accounts were posted to Shareholders on June 6 and the following is the Statement of the Chairman, MR. J. M. CAMPBELL, circulated with the Report and Accounts:—

For Bookers, 1954 was a year of good progress. The Accounts for the year show further gain in the profit-earning capacity and in the financial strength of the Group.

From the Directors' Report you can see that the Net Trading Profit of the Group after Tax was £580,743 compared with £505,701 in 1953; and that, in addition, there were Capital Profits of £286,003. The Capital and Reserves of the Group, representing the interests of Bookers' Shareholders, have increased by more than £1,300,000 to £8,614,057. Net Current Assets have increased by over £1,100,000; with a drop in Current Liabilities. Despite new investment and higher turnover, we had over £750,000 in the Bank at the 31st December. We do not mean to hold large idle cash balances; because we want to put the money to profitable use in furthering our policy of buying new businesses for our Operating Groups. Moreover, we hope that our present Trading Companies can again increase their turnover and earn more profits.

Your Directors are recommending the payment of a final Ordinary Dividend of 1s. 2d. per share, free of Income Tax, bringing the distribution for the year to 1s. 6d. per share—the same rate as for the last two years. In addition they are recommending a cash distribution of 3d. per share from Distributable Capital Profits not subject to United Kingdom Income Tax. In the words of the Directors' Report, "Provided that future results justify the continuance of the present annual rate of Ordinary Dividend, your Directors intend that the interim Ordinary Dividend payable on the 1st of January, 1956, shall be the equivalent of 6d. per Ordinary Share, free of Income Tax, on the present Issued Ordinary Capital—thus achieving a better balance between the interim and final Dividends. Your Directors also hope to be able to recommend small annual distributions out of Distributable Capital Profits so long as this Revenue Reserve lasts."

The Directors' Report also deals fully with the proposal to increase the Authorised Capital of the Company from £2,000,000 to £5,000,000; and to double the Issued Ordinary Capital by capitalising £1,272,025 of Reserves, thereafter issuing to Shareholders one new 10/- Ordinary Share for every one existing 10/- Ordinary Share held on the 20th of May, 1955. This capitalisation and issue of "ploughshares" is a first step towards bringing the Issued Capital of the Company more into line with the total investment of over £5,000,000 in Subsidiary Companies; and with the total Fixed Assets of the Group at over £5,500,000. It carries with it no implications about the level of future dividends which must depend upon the success or failure of future trading, and it leaves Shareholders no richer, and no poorer, than they were before.

Review of Operations

The Review of Operations tells how the Operating Companies in the Group fared in 1954. Sugar output was down owing to bad weather and the aftermath of 1953 strikes. Prices were down, too, and production costs were higher. In the face of great difficulties Management and Labour worked wonders to achieve results which were, in the light of all the circumstances, much better than might have been expected. The improvement of housing and the development of Social Services and amenities continue vigorously. For the Sugar Factories we have planned a major programme of improvement and consolidation over the next five years, involving capital expenditure of some £2,000,000 and the elimination of two existing factories. It is expected that this money will be found by the Group without recourse to outside borrowing. Great progress is being made in our agricultural techniques and practices. We are establishing a pilot scheme to investigate the possibility of Tenant Farmers producing some of the sugar cane for our factories. All these plans should enable our Sugar Estates to continue to progress in the face of great natural difficulties. I hope you will have time to look at the Supplement to these Accounts which tells and illustrates the story of Bookers Sugar.

Our Shopkeeping, Agency and Export Companies in the Campbell Booker Group made a bigger contribution to profits than in 1953, but profits did not increase commensurately with record turnover. Our Ship-owning interests did well, taking into account their valuable service to the Group. United Rum Merchants' sales in the United Kingdom, including Lemon Hart and Lamb's Navy Rum, kept pace with the previous year; and in Canada increased beyond expectations. Our group of small miscellaneous Companies, Carpet wholesaling and Produce dealing in the United Kingdom, Drug manufacture, Balata production, Printing and Produce dealing in British Guiana, had, on the whole, a good year in 1954 and promise well for 1955.

These trading and financial results once more pay clear tribute to Managers, Staff and Labour throughout the Booker Group. I know that Shareholders will feel a renewed sense of appreciation and of personal gratitude to each and all the men and women—Producers and Traders, and no less Administrative, Accounting and Secretarial Staffs — upon whose successful endeavours the Group depends.

Wages, Salaries and Other Employment Costs increased by more than £1,000,000 during 1954 to over £4,500,000. £700,000 is attributable to new Subsidiaries; leaving a well-earned increase of £300,000 in previously existing Subsidiary Companies. It is important for Shareholders, Management and Labour to realise that during 1954 the Trading Profits of the Group, after Tax, were under £600,000; Dividends distributed under £250,000; Tax paid over £850,000; and Wages, Salaries and Other Employment Costs over £4,500,000. Thus Wages, Salaries and Other Employment Costs were nearly eight times the Trading Profits after Tax; and the *increase* therein attributable to existing Subsidiary Companies more than the *total* dividends paid.

Political Situation in British Guiana

The political situation in British Guiana can best be described as quiescent. The people are living their lives and going about their daily work more or less normally. The Report of the Constitution Commission under the Chairmanship of Sir James Robertson upheld the suspension of the Constitution, roundly condemned those ignoble politicians of the People's Progressive Party who had brought it about, lucidly analysed the social, economic and political problems of the country and recommended a period of Constitutional "marking time" with a wholly nominated Interim Government. With this Interim Government, with some emergency regulations still in force preventing open subversion and indiscriminate agitation, and with British troops in the country, there is little fear, at present, of serious disorder. But this is a very unsatisfactory state of affairs and the country cannot exist for long—and certainly not progress—in a political vacuum. Some sound and sensible politicians of ability and goodwill are now striving to establish a responsible, progressive Party; but there is little evidence yet that, if elections were held again in the near future, they would be able to attract the majority of voters from the quite unattainable material promises, the misrepresentation and the intimidation of the past and present leaders of the People's Progressive Party. British Guiana will not prosper until she can produce a leader of the calibre of those other British Caribbean leaders who have held ministerial office with high distinction; a Guianese who can form a clear vision of the good Guiana, strive for it, convey it to the public imagination, and, when he has gained election, lead government and people, constructively and progressively towards their goal—with a true sense of responsibility and in terms of the possible.

Future Clouded and Uncertain

It now looks as though Federation of the British West Indies may become a reality within two years. The earlier policy of British Guiana had been to stay out of Federation. Now, however, much informed opinion in British Guiana, but not all, favours a new move towards entering a Federation on terms which properly recognise the contribution which her people, land and resources would make to the Federation. Despite her potential, British Guiana would have a long and hard struggle to achieve economic viability on her own, nor could she alone attain the Dominion status to which her people naturally aspire. We believe that she has the choice either of ploughing her own difficult furrow alone; or joining the rest fo the British Caribbean in their forward march of social, economic and political progress.

So the future of British Guiana remains clouded and uncertain. Last year I said to Shareholders: "Our policy must be, so long as politics do not make it economically unjustifiable and downright imprudent, to maintain our businesses in British Guiana as efficiently and profitably as we possibly can. All our Staff will wish to know that Shareholders wholeheartedly support this policy as long as it remains feasible. However this may be, your Board are keenly aware of the need that the Group should continue to build up, in the form of profitable interests elsewhere, 'hedges' against catastrophe in British Guiana should the worst come to the worst . . . We do not believe that this will happen, but we might guard against its happening." Your Directors continue to carry out that policy to the best of their ability.

Human and Public Relations of First Importance

In British Guiana, vital factors are understanding, confidence and a sense of identity between the people of the country and Bookers. All your Directors and Executives regard better human and public relations as being of the first importance. To help our endeavours to this end, during last year we appointed an experienced Director of Public Relations for the Booker Group of Companies in British Guiana in the person of Mr. Antony Tasker, and an experienced Chief Personnel Officer for Bookers Sugar Estates in the person of Mr. A. J. Wells.

The acquisition late last year of the entire equity Capital of the Motor Car Supply Company of Canada Limited, was a decisive step towards building up the profit-earning capacity of the Group outside British Guiana. Canada, perhaps particularly Western Canada—despite the recent check to the expansion of their economy—seems to offer glowing prospects for the future. We are now looking into further possibilities there.

A Paradox Answered

Shareholders who have studied the Review of Operations may find it paradoxical in the light of this declared policy that we should, during 1954, have increased our investment in the Sugar Industry of British Guiana by buying control of Port Mourant Limited—a Sugar Estate and factory producing about 20,000 tons of Sugar a year; and sold 49% of the Capital of United Rum Merchants, who trade preponderantly in the United Kingdom and in Canada. The explanation of the former transaction is that Bookers already held 49% of the Capital of Port Mourant and have for many years managed the Estate. When for death-duty reasons the family owning control wished to sell their shares, it was inevitable, and in our interest, that we should buy them. As to the latter, the circumstances of the Rum Trade in the United Kingdom and Canada dictated that we should broaden our common interests with the Hiram Walker-Corby Group; thus gaining a powerful partner, by selling to them a 49% interest in the Share Capital of United Rum Merchants.

It is, after all, a change in emphasis of policy, and in timing, which events have impelled, rather than a change in fundamental policy. For many years the Booker Group have been developing investments outside British Guiana—in Central Africa and in the United Kingdom. Now we have been forced to accelerate this process in order to underwrite the political hazards of British Guiana. Your Board are confident that you would not wish them, by applying this change of emphasis too rigidly, to lose profitable opportunities of purchase or partnership which suit and will strengthen the Booker Group.

Closer Association with Davson's

This brings me to the subject of the following Press announcement issued in British Guiana, with a shorter version in the United Kingdom:—

"Closer association is being planned between the Booker Group of Companies and Davsons. This was announced yesterday by Mr. J. M. Campbell, Chairman of Booker Brothers, McConnell & Co., Limited, and Lt.-Col. H. M. Davson, C.M.G., D.S.O., Chairman of S. Davson and Company Limited, who said that the closer association would be based largely on an exchange of shares and that the details were being worked out by the Boards of the two Companies. The text of the joint statement is as follows:—

"We are glad to announce the planning of closer association, including the co-ordination of management, between the Booker Group and Davsons. The Boards of the two Companies are now engaged in working out the details of this alliance, which will be based largely on an exchange of shares between Bookers Sugar Estates Limited, and Davsons.

"The name of Davson is as much a part of the history of British Guiana as is that of Booker. Simon Davson arrived in the country in 1814, a year earlier than Josias Booker, and in 1816 founded the firm of S. Davson and Company in New Amsterdam. To-day Davsons own Blairmont, producing some 20,000 tons of Sugar annually, together with a cattle ranch, a lime grove and a foundry, as well as a general trading business holding valuable Agencies. Throughout the years Davsons has remained a Private Company—a family business in the strictest sense. We need not emphasise the special problems that face such a business to-day beyond stating that the current level of death duties in the United Kingdom, combined with the difficulties of financing modern industrial developments, have convinced Davsons' Directors that it would be in the best interests of the shareholders and employees and indeed of British Guiana for the Company to ally itself more closely with a larger group of Companies having concurrent but more widely spread interests. Not only are Bookers such a group but there has been close community of interest between our two Companies for nearly a century and a half. Our friendly relationship has, in fact, greatly contributed to that spirit of practical co-operation between the three largest producers which is demonstrated daily in the successful working of the Sugar Producers' Association.

"Finally, and of the greatest importance, we wish to emphasise that consideration of the interests of all employees of Davsons has been and will remain an essential factor in all stages of our planning for this closer association."

I can only add that this is a case where, after the fullest discussion and consideration, your Board feel that not only should Bookers' Shareholders benefit by this alliance with Davsons, but that their interests might well have been imperilled by refusing the opportunity.

As to the future: it has been raining torrents in British Guiana at quite the wrong time of the year, which is bound again to affect Sugar output, yields and costs. Barring political upheaval, there is no reason to expect that the rest of our businesses will not do as well in 1955 as in 1954.

A Big Market For Our Wheat

How, Why Japan Looks For More Trade With Canada

What is the outlook for expansion of Canadian-Japanese trade? Japan's Ambassador to Canada, Koto Matsudaira, gave his views recently at a Trade Fair luncheon of Canadian businessmen and visiting Japanese businessmen and government officials. Here is a digest of his address:

By HON. KOTO MATSUDAIRA

I foresee our trade relations as ever-expanding on a scale which might defy imagination today. With a rising standard of living, with our younger generation's acquired and increasing taste for wheat, particularly your No. 2 and No. 3 Western Hard, I am deeply convinced that in 30 years from now we shall see Japan as a 70% bread-eating nation. At the present rate of population increase, Japan will then have a population of 110 million and I estimate that at least 75 million of them will depend on wheat and barley as a staple food.

What does that mean to Canada? Today Japan is already your second-best customer for wheat and barley and your third-best customer for trade in general. She is surpassed, as far as wheat and barley are concerned, only by the United Kingdom with her population of approximately 50 million. In 30 years Japan will be by far the largest customer nation of Canada — may I say, twice as large as the United Kingdom? This is undoubtedly a tremendous market potential.

On the basis of this prospect, trade relations between our two countries will assume an unsuspected importance in our future national life — Canadian or Japanese. The mission this new group is to fulfill is of tremendous importance. The effects will be felt in the form of remarkable prosperity and a higher standard of living, hardly suspected at this moment, to be enjoyed by the generations to come, both in Canada and Japan.

Honesty In Trade

There is yet another important aspect that I should like to emphasize. Japan used to have a bad name for her products prior to the war. I personally have felt distressed about this. For Japan's sake, this bad name must be wiped out and a fair reputation must be built up for our goods.

Nothing permanent and of value can ever be achieved except on the basis of mutual respect and fairness. The palace of hope and prosperity which we are building across the Pacific Ocean cannot be built on any other foundation but honesty. I earnestly hope that this group will return home convinced that fair practice in trade is the sine qua non for success in Canada.

The trade delegation is made up of businessmen representing each of the important fields of trade and industry in Japan. With them are staff members of the Japan External Trade Recovery Organization.

This is the second Japanese business group to visit Canada within the year. The new group will study, in Canadian atmosphere and surroundings, the ways and means of further expanding the trade volume between our two countries. It will endeavor, naturally, to find out how we can improve our present trade situation with Canada. The present unbalance in our trade relations must end some day. If it is left unmodified indefinitely, it will not be in the considered interests of either or both of our countries. I might say that this group has a very important mission to fulfill in this field.

Trading Pattern

If the only purpose of this mission were to find a way by which to expand our trade volume, it would be somewhat ordinary. It would not need a man of Mr. Ito's calibre to lead such a delegation. Our aim, however, is very much wider. We wish to find the best possible pattern on which to base our future trade relations with Canada. We wish to build the foundation of a successful structure, advantageous to both the Canadian and Japanese economies, on which we can both create a stimulating trade relationship — interdependent yet complementary. Even our respective textile industries could operate advantageously on this basis.

We aim to build an economic edifice across the Pacific Ocean which will serve as a model of international co-operation. I hope no one will accuse me of being too visionary when I say that we can build such a structure within the next 30 years. It is a sublime mission of the present generation, Canadian and Japanese, to try, as good neighbors, to turn this dream into reality.

This year, Japan has more than doubled her efforts for the Trade Fair and this year's display in the Japanese Section is by far the best in the years in which Japan has participated.

Japan will continue to make her best contribution to this significant Canadian endeavor in the years ahead. She desires to be a very loyal and earnest supporter of this international institution, both now and always, and, in so doing, she wishes to prove her willingness to co-operate and illustrate her goodwill toward men and things Canadian.

Liquid Phospor Helps Find Mines

Three university scientists from Western Canada who pioneered the design and distribution of the world's original scintillometer stirred atom-conscious imaginations at the CITF with their newly developed plastic and liquid phosphor products.

The three scientists behind Winnipeg's Nuclear Enterprises Ltd. reported "high interest" in their new phosphor developments that can replace hard-to-control sodium iodide in scintillation equipment. The phosphor, either impregnated in plastic or in liquid form helps to detect radioactive minerals.

The new development will reduce scintillator operation costs somewhat, cut maintenance care, and be more easily available for difficult field operations. In the plastic form, the phosphor "active agent" is made temperature, moisture, and shock resistant to aid aerial and other prospecting for radioactive minerals.

The original scintillometer idea came to Dr. R. W. Pringle, professor of physics at the University of Manitoba shortly after World War Two. He discussed it with geology professor Dr. George M. Brownell, and associate physics professor Dr. K. I. Roulston and the trio designed a working model which they first field tested in the Beaverlodge area.

A chemistry associate at the university later introduced the plastic and liquid phosphor idea and they were quick to test it and put it on the market.

The three scientists have established small manufacturing facilities at Winnipeg and they report Trade Fair business inquiries indicate export sales will be brisk during the next year.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Mining

YALE LEAD & ZINC MINES showed an increase in net profit of over $30,000 to $160,638 or 4c a share in 1954.

The increase was almost wholly due to increased output of lead. Metal prices showed little change during the year.

Installation of aditional mill equipment to allow for a production rate of 300 tons daily—double 1954 average of 147 tons—is expected to be complete by July.

A slight decrease in ore reserves, as shown below, is attributed to concentration of effort during 1954 on driving a long lower crosscut for 2,033.6 ft .at mill elevation. With the completion of this crosscut and the opening up of the lower level, a substantial tonnage of ore is expected below 2,150 ft. level.

Increase in plant and buildings in 1954 amounted to $68,930.

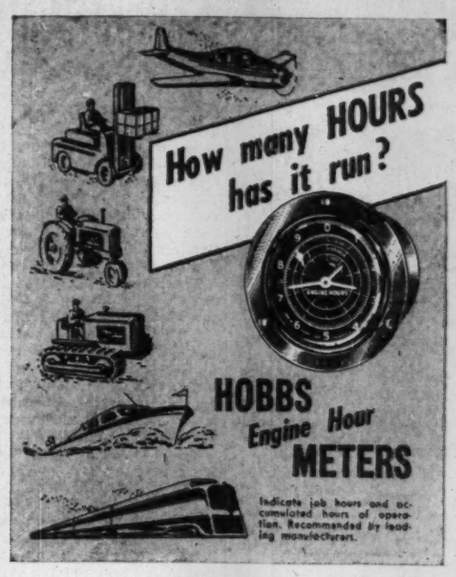
INCOME ACCOUNT		
Years Ended Dec. 31:	1954	1953
Prod. revenue	$774,060	$692,533
Less: Mkt. exp.	82,909	84,536
Oper. & admin. exp.	493,816	471,252
Bond int.	.....	1,541
Taxes	.....	5,069
Deferred dev. w/o	34,717	.....
Net profit & surp.	160,658	130,155
No provision made for deprec. or amort.		
Earnings per Share and Dividend Record:		
Common	$0.04	$0.04
None paid.		

CONDENSED BALANCE SHEET		
As at Dec. 31:	1954	1953
Cash	$108,732	$22,295
Accts. rec.	7,259	6,929
Concentrates	184,836	75,425
Inventories	44,190	44,091
Total curr. assets	345,017	148,740
Prepd. exps.	1,530	1,531
Deferred chgs.	490,544	385,339
Mining cls., props., etc.	1,765,289	1,720,976
Bldgs. & equip.	636,736	571,876
Total assets	3,339,116	2,828,482
Accts., etc., pay.	77,973	43,327
Taxes pay.	.....	1,750
Taxes curr. liabs.	77,973	45,077
Unpd. townsite portion	.....	10,000
Capital stock	2,333,705	2,106,605
Earned surplus	827,438	666,800
Working capital	267,044	103,663

OPERATING STATISTICS		
	1954	1953
Tons milled	53,750	52,375
Aver. recovery	$14.40	$13.22
Ore reserves, tons	163,700	178,600
Grade: Silver, oz.	2.31	2.42
Lead, %	5.8	5.9
Zinc, %	1.96	2.1

Getting Ahead

Astute businessmen plan for success; they read The Financial Post because it helps them make right decisions. Yearly by mail $6; 2 years $11.



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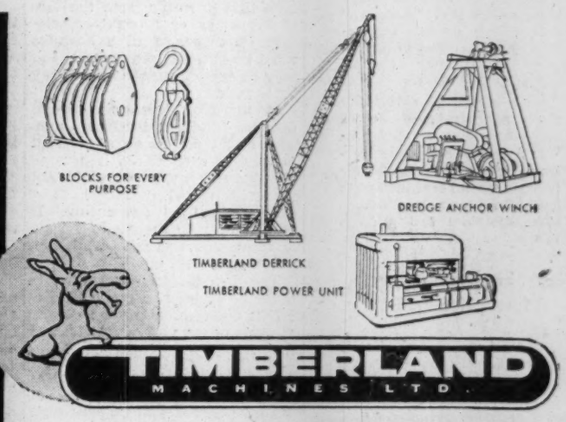

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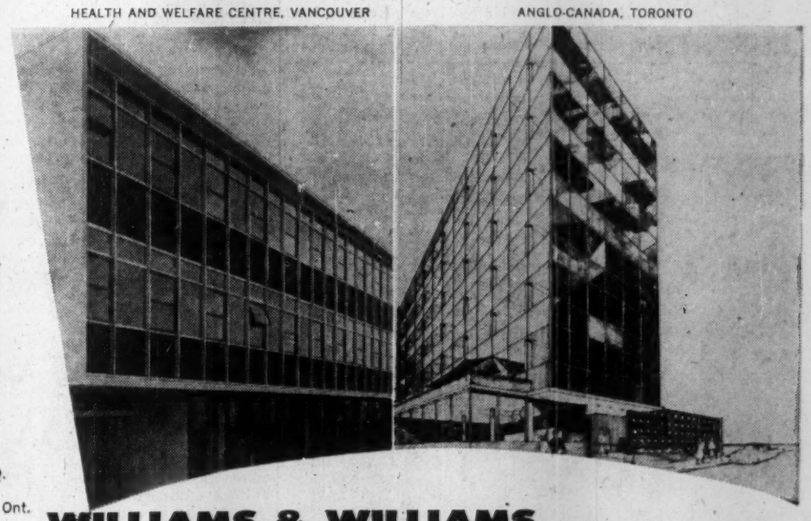

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- Medical Centre Ottawa, Ont.
- Desnoyers Building St. Hyacinthe, P.Q.
- Simpson-Sears Ltd. Peterborough, Ont.
- Post Office Colborne, Ont.
- Annacis Island Development Vancouver, B.C.
- Office Building, Crites and Riddell Montreal, P.Q.
- Grandview Health & Welfare Centre Vancouver, B.C.
- Perley Homes Ottawa, Ont.
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- Office Specialty Mfg. Co. Ltd. Edmonton, Alta.
- Office Building, Bathurst & Eglinton Toronto, Ont.
- Office Building, 20 Eglinton Ave. East, Toronto, Ont.
- Manitoba Medical College Winnipeg, Man.
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- Toronto-Dominion Bank Port Hope, Ont.
- St. Mary's School Kitchener, Ont.
- Grandstand-Woodbine Race Track Toronto, Ont.
- Canadian Welfare Building Ottawa, Ont.
- Peterborough Memorial Centre Peterborough, Ont.
- Health & Welfare Centre Vancouver, B.C.
- Ontario Teachers' College Toronto, Ontario
- Office Building, 146 Bloor Street West Toronto, Ont.

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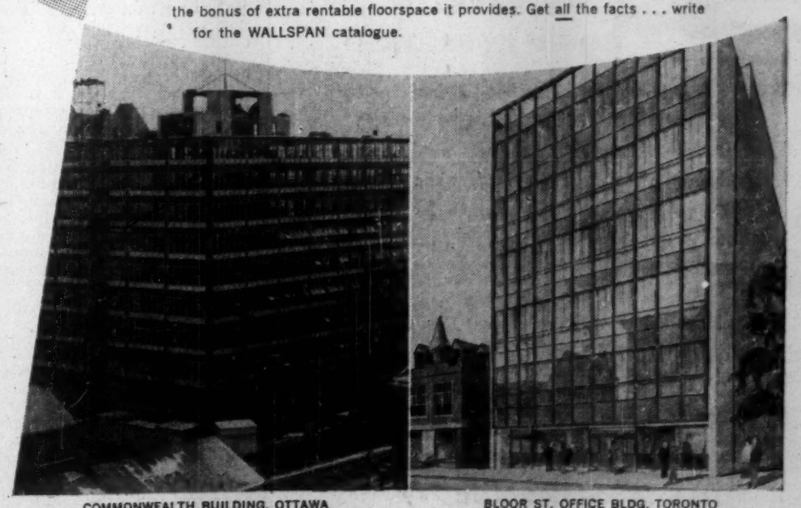

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ANNOUNCEMENT

F. I. LOMAS

Mr. A. H. Marston, President of Dack Corporation Limited announces that Mr. F. I. Lomas has been elected a director. Mr. Lomas has been with Dack Corporation Limited for twenty-five years and is in charge of all manufacturing units.

Coarse Grain Sales Woe May Arrive With Harvest

The Perils of Pauline has nothing on Canada's tightrope-walking coarse grains export industry, which faces another succession of nerve-wracking moments this year.

The multimillion-dollar business of shipping coarse grains abroad has swayed alarmingly during the last year but continues to hold an uneasy balance. Prices remain reasonably good.

Still looming large as ever are uncertainties on both the supply and demand sides.

Demand: Our biggest customer, the U. S., has import quotas on oats, barley and rye. All expire this year. All will be reviewed by U. S. authorities. And all are expected to be renewed, perhaps with alterations.

Our overseas markets for coarse grains are tending to improve. But the U. S. surplus disposal program for grains injects another note of uncertainty here. It makes for tough competition.

Supply: The size of the upcoming crop is, of course, always uncertain.

In addition, Canada this crop year has had trouble supplying the quality of oats and barley demanded, especially in the U. S. But our supplies of lower-grade grains remain sizeable, though lower than a year ago.

Actually, the poor crops of last year probably spared us the problem of how to dispose of huge surpluses of coarse grains. But there's every chance this year's crops will be large. So, in the long run, it's quite likely we face a surplus situation in coarse grains.

The U. S. could do a lot to remedy this if it would enlarge all its import quotas or junk them entirely. But this isn't likely.

First quota up for review is that on rye. It expires at the end of June, has been filled for some time.

Its effect: In the first 10 months of the current crop year we exported only 5-million bu. of rye, compared with 13.5 millions in the same period last year. In the first nine months, our exports to the U. S. were less than 2-million bu. compared with almost 13 millions last year.

However, our rye crop last year was only half the year before. We now have about 9-million bu. of rye remaining on Western farms.

The U. S. oats and barley quotas don't expire until October, won't be reviewed for some time. As with rye, Canada has almost the whole of each quota.

Neither quota has been filled, largely because of the quality problem.

The oats quota is 40-million bu. in the year ending Oct. 1, the barley limit 27.5 millions in the same 12 months. They haven't pinched us this year because of the poor crops of 1954.

But, at their present level, they give promise of being painful in the future. For instance, in 1953-54 we sold about 65-million bu. of oats and 38-million bu. of barley to the U. S. These totals far exceed present quotas.

Canada anxiously hopes for more liberal U. S. quotas. But the U. S., with a huge farm surplus on its hands, can't be expected to lose sleep over Canadian farm marketing worries.

In the first 10 months of this crop year, we exported some 20-million bu. of oats and 63-million bu. of barley. Last year at the same time: 62 million of oats, 75 million of barley.

Presently, we still have in commercial stocks or on western farms about 40-million bu. of oats and 80 million of barley. We'll still have most of it when the crop year ends July 31.

Some of the better-quality grain from the 1955 crop may go to help fill the U. S. oats and barley quotas expiring Oct. 1.

But if we have crops comparable to those in 1953 (on the Prairies: 276 million bu. of oats, 251 million barley, 27 million rye) instead of 1954 (196 million, 167 million, 12 million), our coarse grains salesmen will face serious sales and price problems.

The following table shows the decline in the U. S. market from the calendar year 1953 to 1954. It also illustrates the importance of the market for coarse grains to farm prosperity.

Export to U. S.	1953 ($000)	1954 ($000)
Oats	56,651	28,519
Barley	40,850	35,605
Rye	17,018	6,348
Totals	114,519	70,472

A. S. HAMILTON

Scottish Union & National Insurance Co., Toronto, has been elected president, Canadian Underwriters' Association.

How to Stay Alive

Here's a check list to tack up on your cabin wall. It may save your life. The list, prepared by the Ontario Department of Lands and Forests, is designed to do that by spelling out just how much small boats can—and cannot—carry. Here it is:

Length Ft.	Beam In.	Depth In.	Transom Width In.	Weight Lb.	Length Bow Deck In.	Motor HP Max.	Carrying Capacity
PLEASURE MODELS							
18	62	25	50	335	60	50	8
15	60	24	51	250	60	50	6
17	57	23	48	265	60	25	7
16	55	24	47	230	60	20	6
14	53	23	48	195	50	20	6
15	50	21	42	185	60	10	5
14	50	20	46	180	36	10	5
UTILITY MODELS							
15	52	20	48	180	18	18	6
16	48	18	42	180	18	10	5
14	50	18	46	150	18	10	5
15	48	18	43	170	18	9	5
15	46	16	38	140	18	6	4
CAR TOP OR AUTO BOATS							
13	46	17	40	95	..	10	4
12	44	15	37	80	..	7	3
NORTH BOY TYPE							
18	41	16	..	110	..	10	12000 lb.
16	39	13	..	95	..	7	900 lb.
DORY TYPE							
16	52	19	35	230	..	14	5
14	51	19	33	190	..	10	5

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TCA Extends Viscount Use

MONTREAL (Staff) — Trans-Canada Air Lines will introduce turbo-prop Viscount service into Windsor, Chicago and Cleveland, June 23.

The airline said there will be one round trip daily into Windsor and Cleveland and four daily round trip flights into Chicago. The Viscounts will supplement DC-3 aircraft flying into Windsor and Cleveland and will replace North Star airliners into Chicago.

Viscount service is already being operated by TCA between Montreal and Winnipeg; Toronto and New York and Montreal and Edmonton. Service between Montreal and New York will go into operation in late summer.

TCA, first commercial users of turbo-prop aircraft in North America, has ordered a total of 25 Viscounts. Nine have already been delivered. Five more will be delivered to Montreal from England this year and the balance of the order is expected by spring, 1957.

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De Soto Fireflite sedan with dramatic two-tone colour sweep . . . mighty 200-h.p. V-8 engine that set a new world's record this Spring in the "Flying Mile" competition, sponsored by the National Association of Stock Car Racing at Daytona Beach, Florida.

Prestige is but one of several reasons why so many men on the way up are now choosing De Soto!

It's a mark of distinction to own this glamorous automobile. But, more than that, the sleek motion-design of the new De Soto gives it The Forward Look—the fresh, exciting styling that fits the tempo of today!

This thrilling performer is also a delight to command—nimble, easy to handle, and powered by a mighty 185- or 200-h.p. V-8 engine. And although many other cars are higher in price, no other Canadian automobile has a wider or roomier body than this luxurious beauty. Or more superbly distinctive and colorful trim—inside and out! It's a truly smart choice.

Your Dodge-De Soto dealer will be glad to arrange a demonstration drive. So why not accept his invitation to take command—by putting a De Soto through its paces yourself?

You'll see why it's a wise move to move up to De Soto!

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BOOKS FOR BUSINESSMEN

PLANNING YOUR FINANCIAL INDEPENDENCE by John E. Leibenderfer; Burns & MacEachern, Toronto; 294 pp.; $5.50.

"What we have here is not a rosy picture of a nation of prosperous capitalists, but the spectacle of a nation of harassed debtors whose principal assets consist of mortgaged homes and life insurance claims," says the author in describing the U. S.

"What is needed, it would seem, is a better control over individual finances through a definite plan for capital accumulation."

Mr. Liebenderfer, in considerable detail, tells how a typical family can control its finances. The principal discipline in his technique is a five-year plan for financial progress.

As an illustration of the potentialities of planning, the author points out that if a young man invested $25 monthly at 5% compound interest starting at age 20, he could retire at 65 with accumulated capital of $47,910.

Mr. Leibenderfer, in considernot aimed at the young man alone, but at all readers under 65. In fact, he points out, the age of greatest accumulation for the average man is between 45 and 65.

He sets out a checklist to assist the reader in setting up an adequate savings program, illustrating it with examples of plans for families in various circumstances. Much of the material—suggested investment portfolios and Social Security coverages—apply to U. S. readers only.

This book, with its challenge to the reader to stop drifting and start preparing for financial independence, could do much to add to the sum of human happiness. But with its many statistical tables and its rather heavy-handed literary style, its message may fail to reach the readers whose perseverance is limited — and who therefore need it most.

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Here's A Searching Look At ICAO's First Decade

As the International Civil Aviation Organization celebrates its 10th birthday this year, Dr. Edward Warner, president of the council of ICAO recently gave his personal views on the role and achievements of ICAO and the development of international civil aviation during the past 10 years. Here is a digest of his speech presented in the report of the council to the Ninth session of the ICAO assembly, meeting at Montreal.

By DR. EDWARD WARNER

No pilot ever prepares for an international flight . . . no message ever passes between the air and the ground . . . and no aircraft ever proceeds on instruments across international boundaries to an assured arrival at its destination — without experiencing the benefits of ICAO's work of the past decade.

In the past 10 years, excluding meetings of the assembly and of the council and other permanent bodies, ICAO has convened 119 meetings. There have been 50 divisional meetings; 20 full-scale regional meetings, in 14 different countries covering the full range of planned air navigation services; and 28 regional meetings of a more limited character. One hundred and nineteen reports have recorded a great body of international agreement, in matters of large importance to civil aviation.

As an ultimate product of all these conferences, discussions, and agreements, 15 annexes have been produced, have been amended on 37 different occasions, and have come to be the basic guidance material for the contracting states, and certainly to a large extent for the few remaining noncontracting states as well. A part of the product, too, is the collection of regional plans that spot some 40,000 air navigation facilities and services around the globe.

In the same period contracting states have had the benefit of the publication of numerous studies by ICAO's secretariat, and of their compilations of material contributed by the states themselves by gaining its full significance by a collective presentation.

U. N. Participation

Though ICAO's active participation in the United Nations Expanded Program of Technical Assistance has covered only a part of the 10 years, no summary of ICAO's decade could fail to mention it. The areas in which technical assistance has been given have covered advice in almost every aspect of civil aviation, and the specific training of personnel in many aspects: the general organization and administration of governmental civil aviation responsibilities, the drafting of laws and regulations, and the creation of licensing and airworthiness procedures and authorities; the planning and operation of navigation facilities, including airport siting and management, the organization of services and aeronautical meteorology, air traffic control, communications and navigation aids, and the organization and techniques of accident investigations; air transport, including the collection and application of statistics, airline accounting, airline operations, aircraft and engine maintenance, and air transport administration.

Some 11 training centres have been established with ICAO's cooperation, in as many different countries, for the training of local personnel in the skills in which the effective development of national civil aviation most needs their service. Further assistance has been given by the award of fellowships for study abroad, to a total number of 123 up to the present time. Reports subsequent to the completion of their periods of study have given evidence of the good use that the recipients of fellowships have been making of their training, and the benefit that their countries' civil aviation has gained.

An innovation of the past year has been the first use of panels, to study particular problems assigned to them, so gaining the benefit of the association of a group of experts of different nationalities and divers experience but avoiding the cost and burden to the contracting states at a general meeting.

Co-operation with other organizations, both intergovernmental and private have continued successfully. ICAO's relations with the International Telecommunications Union and the World Meteorological Organizations have been particularly close, but we share particular problems with several of the other specialized agencies as well as the United Nations.

Ecuador and Viet-Nam have joined ICAO's ranks the past year, bringing the total number to 65.

Some parts of ICAO's work diminish in intensity, or reach completion; but I hope no one supposes from that the organization's total responsibilities are shrinking or destined to shrink. Needs will change; old problems will give way to new; the distribution of ICAO's work will change; but the need for ICAO's service and the work of an international secretariat, if we move into the future with any understanding and imagination, lies at least as much ahead of us as behind.

C. G. EASTON

has been elected president, Eagle Pencil Co. of Canada, Toronto.

New Textile Science Group Will Encourage Research

MONTREAL (Staff) — Formation of The Institute of Textile Science to promote interchange in Canada of textile scientific knowledge is announced. The institute expects eventually to win international standing equal to that of leading European and U. S. societies of similar interests. About 80 Canadians are eligible for membership and their professional standing may be recognized by awarding fellowships (F.I.T.S.) and Associateships (A.I.T.S.)

The institute will join the Textile Technical Federation of Canada, co-ordinating body for six other groups of textile technicians. This has been agreed with directors of the federation, subject to ratification at a general meeting, the institute says.

An institute committee will meet within the next few weeks with Dr. Garnet Page, Chemical Institute of Canada, to discuss charter arrangements. This committee is currently arranging for a Federal charter, following which the first annual meeting will be held and officers elected.

It will be headed by Dr. L. J. Sheps, Trilon Chemicals Ltd., Lachine, Que., president of the Canadian Association of Textile Colourists and Chemists, Quebec section. Other members: Dr. P. Larose and C. H. Bayley, Division of Chemistry, National Research Council; Dr. C. E. Coke, Courtaulds (Canada) Ltd., Montreal; S. J. Hungerford, Du Pont Co. of Canada Ltd., Montreal; Walter Metcalfe, Dye & Chemical Co. of Canada Ltd., Kingston, Ont.

The institute will draw its membership from scientists in the textile and allied industries who "have a sincere interest in the objects of the institute" and who are "graduates of a recognized university or shall have met such requirements as may be set by the council of the institute." Associates and fellows will be admitted as the group develops.

Work of the institute, which has been several years in the discussion stage, will be carried out through meetings, lectures, publications of literature, and encouragement of original work and research related to textiles.

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ANNOUNCEMENT

Vickers & Benson Ltd. Executive Appointments

T. W. KOBER A. G. LAWRASON E. A. SEABORN

R. H. Vickers, President of Vickers & Benson Ltd., Advertising, Montreal and Toronto, announces that vacancies on the board of directors have been filled by the appointment of T. W. Kober, A. G. Lawrason and E. A. Seaborn. These recently-elected directors have been associated with the Toronto office of the agency for a number of years and will continue to make their headquarters in Toronto. Other directors are: R. H. Vickers, D. F. Benson, R. R. DeLong, W. B. Dennis, G. R. Disher, R. E. Gourlay and W. J. Thistle.

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Co-Op Enters Grain Business

United Co-operatives of Ontario will establish a grain marketing division to handle wheat, corn, soybeans and white beans.

Its operations will be centred in Southwestern Ontario, with headquarters in Chatham.

The announcement represents another move in the current tendency for farm producers to try for more control of the marketing of their products.

Initial operations of the new UCO division will begin as soon as a brokerage office for cash grains is established in Chatham. The UCO Grain Marketing Committee expects to work closely with producer marketing boards now in existence.

It will pay dividends on an individual commodity patronage basis, deal with private dealers as well as farmer-owned groups.

A big question: Will the new group acquire or build big producer-owned terminal storage facilities? If it does, producers may gain substantial influence on price and movement of their commodities, particularly when surpluses exist.

Stratford Bard At CITF, on TV

Canadian culture went on display at the Canadian International Trade Fair for the first time this year. A display devoted to the Stratford (Ont.) Shakespearean Festival attracted many inquiries from foreign visitors to the Trade Fair, said Tom Patterson, founder and director of planning of the Canadian festival.

Sharing booth space with the International Trade Development Service (The Post, June 4), the Stratford display featured photos of the dramatic and musical stars of the forthcoming 1955 festival and Tanya Moiseiwitsch's original costume designs for the 1953 and 1954 festivals.

Special microwave facilities are now being erected between Stratford and Baden Hill to transmit a telecast of the opening of the 1955 festival on June 27 to an estimated 70 million viewers in Canada, the U.S. and Mexico. Opening night scenes outside the theatre-tent, and a filmed scene of a rehearsal of Julius Caesar, will occupy 20 minutes of a 90-minute NBC-TV program; other portions of the program are to emanate from various points in the U. S. and Mexico.

Staff Changes

Chartered banks announce the following staff changes:

Commerce:

G. E. ELWIN, assistant accountant, London, Ont., to be accountant, Queen & York, Hamilton.

N. M. GAETZ, assistant accountant, Dawson Creek, B.C., to be accountant, Eighth Ave. W. & Fifth St., Calgary.

H. K. GRAY, manager, Dawson, Y.T., to be manager, Powell Street, Vancouver.

D. A. LAIRD, to be accountant, Nelson, B.C.

E. MARTENS, to be manager, Dawson, Yukon Territory.

A. E. NORRIS, accountant, Nelson, B.C., to be manager, Castlegar, B.C.

J. I. RECORD, to be assistant manager, Simcoe, Ont.

D. O. RODMAN, audit officer, head office, to be assistant manager, Market, Toronto.

E. W. TURNER, accountant, Eighth Ave. W. & Fifth St., Calgary, to be assistant accountant, Dawson Creek, B.C.

Fishing for a good time?

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What's news at Inco?

16 hours saved in time between Montreal, Toronto and Vancouver on new C.P.R. Streamliner

"The Canadian" pleases passengers and railway alike. Inco nickel plays a large part in the construction.

The outer skin is nickel-containing stainless steel. Interior hardware is nickel silver or stainless steel.

NICKEL STAINLESS STEEL TRAINS LIKE NEW AFTER 20 YEARS!

Newest stainless streamliner is "The Canadian"

IN 1934 the first stainless steel train made its initial run from Denver to Chicago. After 20 years and 2,700,000 miles of service, this silvery streamliner still carries on, as gleaming-bright as when new.

Today, the records established by this and many other stainless steel trains, have brought about a fleet of 173 new C.P.R. cars.

Because of stainless steel's high strength and the knowledge that it will never be weakened by corrosion, structural sections can be made lighter, thus giving greater safety with less weight.

Weight saving and economy are also obtained by using stainless steel sheathing of a thinner gauge but designed with greater rigidity than previously.

With this stainless, corrosion resisting *chromium nickel* alloy, paint is not necessary.

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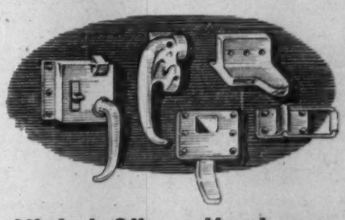
"The Romance of Nickel", a 72-page book, fully illustrated, will be sent free on request. Bulk copies supplied Secondary School teachers.



Nickel Silver Hardware

Over 70 tons of nickel silver containing 18% of nickel were used in the door handles, ash trays and other hardware of 173 cars.

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